

Fall 12-2006

## **An Examination of Perception Toward Merit Pay In a Southern School District**

Carol Lynn White Payne  
*University of Southern Mississippi*

Follow this and additional works at: <https://aquila.usm.edu/dissertations>



Part of the [Elementary and Middle and Secondary Education Administration Commons](#), and the [Teacher Education and Professional Development Commons](#)

---

### **Recommended Citation**

Payne, Carol Lynn White, "An Examination of Perception Toward Merit Pay In a Southern School District" (2006). *Dissertations*. 1352.  
<https://aquila.usm.edu/dissertations/1352>

This Dissertation is brought to you for free and open access by The Aquila Digital Community. It has been accepted for inclusion in Dissertations by an authorized administrator of The Aquila Digital Community. For more information, please contact [Joshua.Cromwell@usm.edu](mailto:Joshua.Cromwell@usm.edu).

The University of Southern Mississippi

AN EXAMINATION OF PERCEPTION TOWARD MERIT PAY IN A  
SOUTHERN SCHOOL DISTRICT

by

Carol Lynn White Payne

A Dissertation  
Submitted to the Graduate Studies Office  
of The University of Southern Mississippi  
in Partial Fulfillment of the Requirements  
for the Degree of Doctor of Education

Approved: 

December 2006

COPYRIGHT BY  
CAROL LYNN WHITE PAYNE

2006

The University of Southern Mississippi

AN EXAMINATION OF PERCEPTION TOWARD MERIT PAY IN A  
SOUTHERN SCHOOL DISTRICT

by

Carol Lynn White Payne

Abstract of a Dissertation  
Submitted to the Graduate Studies Office  
of The University of Southern Mississippi  
in Partial Fulfillment of the Requirements  
for the Degree of Doctor of Education

December 2006

## ABSTRACT

### AN EXAMINATION OF PERCEPTION TOWARD MERIT PAY IN A SOUTHERN SCHOOL DISTRICT

by Carol Lynn White Payne

December 2006

The use of merit pay systems has been a part of educational history for one hundred years. States across the country have utilized different forms of merit pay systems to increase student achievement. Career ladder merit pay systems may base teacher salary on the attainment of additional degrees, additional responsibilities and an increase of student achievement. School-based performance awards may reward all staff members of a school based on achievement of goals set by the school board. Individual teacher financial awards may be based on administrative evaluations, student achievement, attainment of additional degrees, and participation in professional development sessions.

This research project explored different types of merit pay systems in existence, the successes and failures of past merit pay systems, and teachers' of a southern school district perception of the implementation of a merit pay system.

After analyzing 155 completed surveys, it was evident the faculty of this southern school district that participated in the study opposes the implementation of merit pay. Their strongest opposition was evident when asked if student standardized test scores should be included in a teacher's merit pay portfolio. The results of this survey indicate this faculty may favor awarding teachers a financial award if a teacher chooses to work in a low socioeconomic school, volunteers to teach at-risk students, or teach in a low-

performing school.

There are several recommendations for future research concerning the implementation of merit pay. This study could be extended to include all faculty members of this southern school district. The study can be further extended outside a single school district by including school districts that are not as affluent as this southern school district, or including school districts that did not meet state accreditation levels.

Further extension of this study could explore the topic of National Board for Professional Certification as a possible alternative for merit pay. A demographic question on the survey should be added asking the participants if they are National Board certified. Their data may be categorized separately and compared to non-certified National Board teachers to ascertain differences of teachers' perception of merit pay based on their National Board certification.

## ACKNOWLEDGEMENTS

The author would like to express her gratitude to the committee chair, Dr. Ronald Styron, for guiding her through the challenging process of creating a thorough research project. Further, the author would like to thank Dr. J.T. Johnson for his support, especially during the statistical aspect of the research project. Additional gratitude is extended to Dr. Wanda Maulding and Dr. Gaylynn Parker for their encouragement through this research project.

Appreciation is also extended to the Gulfport School District Superintendent, Glen East, for granting permission to the author the use of surveys in the school district. Appreciation is also extended to the teachers of the Gulfport School District who took time out of their busy schedule to complete the survey.

## TABLE OF CONTENTS

ABSTRACT.....	1
ACKNOWLEDGEMENTS.....	ii
LIST OF TABLES.....	v
CHAPTER	
I. PROBLEM.....	1
Introduction..	1
Statement of the Problem.....	5
Significance of the Study.....	5
Research Hypotheses.....	6
Definitions.....	7
Delimitations.....	8
Assumptions.....	8
Justification.....	8
II. REVIEW OF RELATED LITERATURE.....	11
Theoretical Framework.....	11
Motivation.....	14
Teacher Retention.....	15
The Federal Government's Role in Education.....	17
The Teacher Salary Schedule.....	20
The Single Salary Schedule.....	20
Advantages of the Single Salary Schedule.....	21
Disadvantages of the Single Salary Schedule.....	22
Financial Aspects of a Single Salary Schedule.....	23
Use of Standardized Testing to Evaluate Teachers.....	24
Merit Pay.....	26
The Definition of Merit Pay.....	26
The Origin of Merit Pay in School Systems.....	27
Merit Pay in the United States.....	27
National Board for Professional Teaching Standards as	
Merit Pay.....	32
Cautions Concerning Merit Pay.....	34
Teacher Union Opinions.....	35
Merit Pay in Mississippi.....	36
Retaining Teachers in Mississippi.....	38
III. METHODOLOGY.....	41
Overview.....	41



	Research Design.....	41
	Participants.....	42
	Instrumentation.....	42
	Procedures.....	43
	Data Analysis.....	44
IV	RESULTS.....	46
	Introduction.....	46
	Demographic Information.....	46
	Construction of the Dependent Variables.....	49
	Results of the Survey.....	51
	Opposition to the Implementation of Merit Pay.....	51
	Requirements of a Merit Pay System.....	52
	Change of Atmosphere and Attitude of a School Climate.....	53
	Inclusion of Standard Test Results in a Merit Pay System.....	54
	The Number of Classroom Observations Conducted by the Principal.....	56
	Awarding Financial Incentives to Teachers Based on Locality and Socioeconomic Level of Students.....	57
	Overall Support of Implementation of a Merit Pay System in the Gulfport School District.....	58
V	DISCUSSION.....	61
	Summary.....	61
	Discussion.....	61
	Limitations.....	68
	Recommendations for Policy and Practice.....	68
	Teacher Participation.....	69
	Financial Aspects.....	69
	National Board for Professional Certification as a Merit Pay System.....	70
	School Based Performance Awards Programs.....	71
	The Single Salary Schedule.....	72
	Recommendations for Implementation of Merit Pay Systems.....	74
	Considerations for Future Research.....	77
	APPENDIXES.....	79
	REFERENCES.....	83

## LIST OF TABLES

### Table

1.	Frequencies and Percentages of Grades Participants Teach.....	47
2.	Years Experience of the Participants.....	48
3.	Frequencies and Percentages of Level of Education of Participants.....	48
4.	Frequencies and Age of Participants.....	49
5.	Means, Standard Deviations, Minima and Maxima for the Dependent Variables.....	51
6.	Results of Multiple Regression Analysis of Opposition to Merit Pay.....	52
7.	Results of Multiple Regression Analysis of Requirements of a Merit Pay System.....	53
8.	Results of Multiple Regression Analysis of Whether Implementation of a Merit Pay System Could Change the Atmosphere of a School and the Attitude of a Staff.....	54
9.	Results of Multiple Regression Analysis of the Participants' Opinion of the Inclusion of Standardized Student Achievement Test Scores in a Merit Pay Portfolio.....	55
10.	Results of Multiple Regression of the Participants' Opinion of the Number of Observations Conducted by the Principal.....	56

11.	Results of Multiple Regression Analysis of the Participants' Opinion of Awarding Financial Incentives to Teachers Based on Locality and Socioeconomic Level of Students.....	58
12.	Results of Multiple Regression of the Participants' Overall Support of Implementation of a Merit Pay System in the Gulfport School District.....	59

## CHAPTER I

### PROBLEM

#### Introduction

Due to an increase in public awareness concerning the status of our nation's school systems the last decade, school districts are constantly searching for innovative methods to retain teachers and encourage their professional growth. Merit pay is a concept that has been implemented in both the business world and the education world. The business world has embraced the idea of merit pay to increase employees' performance and output. Once international companies began giving United States industries tough competition, businesses across the country began utilizing merit pay as an incentive for increased productivity and higher profit. As Malanga (2001) notes, "merit pay played a crucial role ... in generating the zooming productivity gains and superior product quality that American firms began recording in the late 1980's and that have been central to the nation's economic prosperity ever since" (p5). Merit pay in the business world encourages an increased productivity rate and improved customer service. In the business world, success is quantitative; companies can count the number of products that are adequately made. Surveys can be administered to rate customer satisfaction, and employees can be evaluated on a regular basis to ensure steady productivity. "Superior performance often leads to promotions to positions in which merit pay is operative" (Lieberman, 2000, p.1).

While merit pay may be successful in increasing productivity and customer satisfaction in the business world, the idea of merit pay in K-12 education is a conflict that has not been satisfactorily settled. While the *process* of education cannot be so

easily evaluated for increased productivity through traditional business means, mounting pressure from the public has prompted school districts to search for innovative methods to retain teachers and encourage their professional growth while simultaneously increasing student achievement.

Once the first school district merit pay system for education in the United States was developed in Newton, Massachusetts in 1908 (English, 1992), states across the country joined Massachusetts to create their own merit pay systems as a possible solution to appease the public and combat dismal student achievement. Unlike the traditional single salary schedule, merit pay systems have unique flexibility; states can create merit pay programs based on the objectives the school boards and the general public wish to achieve, while “in other programs, teachers are responsible for proposing objectives for themselves or for their students, the fulfillment of which entitle the teacher to merit pay” (Ellis, 1984a, p. 5). More modern merit pay systems are interwoven with student outcomes and teacher performances. Subjective and objective information are gathered from colleagues, parents, administrators, and students, including teacher evaluations, student performance results and a teacher portfolio that includes “artifacts such as scholarly papers, new curricula written by the teacher, logs of parental involvement, samples of tests and assignments, lesson plans and essays reflecting on the teacher’s practice” (Odden, Kelley, Heneman, & Milanowski, 2001, p. 4).

“Roughly half the states have passed or are considering legislation involving merit pay in schools” (LaFee, 2000, p.1) in an effort to increase student achievement by retaining exemplary teachers through financial stipends. In Cincinnati, for example, a merit pay system has been in place in the school district for five years and is based on teachers attaining goals set by the school district. Cincinnati did away with the

traditional yearly teacher pay scale in 2000 and created a pay scale based on five categories and accompanying salary increments. As Goorian (2000) notes, “the plan is a ‘knowledge-and-skills-based’ system, rewarding teachers for meeting goals set by the district rather than student test scores” (p. 12).

Mississippi has informally adopted the National Board Certification Process as their merit pay system. Once a teacher achieves National Board Certification, she/he is awarded \$6,000 yearly until their certification is expired. More recently, Governor Haley Barbour unveiled his “Education Upgrade” plan that includes a merit pay system for school districts that earn high accreditation ratings according to the *No Child Left Behind* Federal Mandate. The details of this merit pay system for Mississippi teachers have not been publicized.

Since some type of merit pay system has been enacted in school systems across the country, many studies have been conducted to determine if the implementation of a merit pay system increases student achievement and encourages teachers to stay in the educational field. According to the recent study, “Teaching At Risk: A Call to Action,” financial stipends may be a solution to acquiring and retaining highly qualified teachers (*Teaching At Risk*, 2004). The study, conducted by Peter D. Hart Research and Associates and Harris Interactive on behalf of the Teaching Commission, revealed interesting results concerning implementation of a merit pay system in school districts. This study discovered that one-third of the teachers polled agreed that teachers should receive “extra pay ... if students posted gains in academic achievement as measured by test results and other measures” (*Teaching At Risk*, 2005, p.2). Two-thirds of the participants believed teachers should receive extra pay based on principal evaluations. Nine out of ten teachers polled “support a multi-faceted approach to improve the teaching

profession, which includes enhanced professional development, more rigorous teacher training and subject knowledge tests, better mentoring programs for new teachers, more authority for principals and innovative salary schedules” (*Teaching At Risk*, 2005, p.4).

The study concluded that teachers do believe their profession ought to be paid more when teaching high risk students; 77% of the teachers participating in this study agreed teachers teaching in high-poverty schools should receive additional pay. Teachers participating in this study also believed teachers that teach “hard-to-staff subjects ... math, science and special education” (*Teaching At Risk*, 2005, p.2) should receive bonus pay.

Implementation of merit pay may also encourage teachers to stay in the profession. Approximately 20% of the teaching population leaves the education field within their first year of teaching (Cornett & Gaines, 2002). According to a 1991 report published by the National Center for Educational Statistics, even though retirement was the top reason for leaving the education field, many teachers also chose to leave education due to “ ... discipline problems, poor student motivation, inadequate support from administration, low salary, and a lack of influence over school policies” (Southworth, p. 2). Some form of financial stipend may encourage highly qualified and experienced teachers to stay in the education field.

While some studies have yielded positive results of the implementation of a merit pay system, other studies have found that merit pay may not be the solution to teacher motivation and retention. The Urban Institute Study of Merit Pay Systems examined eighteen school districts that utilized a merit pay system. The study found that while merit pay did increase initial student achievement, over the years, a merit pay system did not improve a student’s success. According to the study, school districts were unable to

continue the merit pay systems on a long term basis due to budget constraints. The study cited several negative outcomes of implementing a merit pay scale, including increased teacher competition, lower teacher morale, the high cost of the merit pay plans, and the time constraints of instituting and continuing those plans (*Urban Institute Study of Merit Pay Systems*, 2005).

### Statement of the Problem

By conducting this study, the researcher planned to address the issue of retaining teachers through the implementation of a merit pay system and to investigate if a financial stipend is a motivating factor for teachers to increase student achievement. The researcher also planned to address whether standardized test results should be included in a teacher's merit pay portfolio. By surveying several teachers from various schools in a southern school district, the researcher intended to discover perceptions teachers may have concerning whether a teacher should be awarded merit pay based on administrative evaluations, the performance level of the school in which she/he teaches and/or the socioeconomic stance of the school in which she/he teaches.

### Significance of the Study

Teacher retention is an important issue for school districts across the nation to address. According to the National Education Association, as student population in schools across America grows, two million teachers will retire in the next decade. While many teachers are able to retire, approximately 20% of the newly certified and hired teachers in a school district leave the profession within three years ("New Strategies to Curb Teacher Flight," 2006). In the report, *The Essential Profession: American Education at the Crossroads*, released in 2001, "nearly nine in 10 Americans (88%) favor raising teachers salaries," (*Students' Public Education*, 2006, p.3) even if it meant paying



an additional ten dollars in taxes (*Students' Public Education*, 2006). While the public does see a need for an increase in teachers' salaries, they realize that quality teachers must be placed in classrooms in order for students to achieve. According to Sanders and Rivers of the University of Tennessee (1996), research has shown that effective teachers can improve student achievement in approximately three years. The implementation of a merit pay system may be a possible solution to the teacher shortage by retaining highly qualified teachers through financial stipends.

The implementation of a merit pay system to increase student achievement and retain highly qualified teachers is a topic that must be researched to ascertain if a school district will benefit from it. While merit pay may be a solution to lagging student achievement and a boost to teacher motivation, it is essential that a school district has support from its staff and community. By researching the literature and surveying its staff, the school district may find that possible motivators for teachers may include financial stipends, recognition for academic achievements taking place inside the classroom and commendation for acceptance of additional responsibilities at the school site.

### Research Hypotheses

The hypotheses for this research project were:

- A significant relationship existed between teachers' opposition of merit pay and their ages, years of experience and levels of education;
- A significant relationship existed between teachers' perception of the requirements of a merit pay system and their ages, years of experience and levels of education;
- A significant relationship existed between teachers' perception that merit pay

could change the atmosphere of a school and the attitude of the staff and their ages, years of experience and levels of education;

- A significant relationship existed between teachers' opposition of the inclusion of standardized student achievement test scores in a teacher's merit pay portfolio and their ages, years of experience and levels of education;
- A significant relationship existed between teachers' perception of the number of classroom observations conducted by the principal and their ages, years of experience and level of education;
- A significant relationship existed between teachers' opposition of awarding financial incentives to teachers based on locality and socioeconomic level of students and their ages, years of experience and levels of education.

### Definitions

Highly qualified- teachers that have attained additional certification while earning a degree in education. This certification certifies them to teach in specialty areas such as math, history, reading, social studies or science.

Merit pay- additional pay awarded to an employee on the basis of merit, especially to school teachers ("Merit Pay," 2006, p.1).

Merit pay portfolio- a portfolio that contains specific artifacts to document a teacher's progress throughout the year. These artifacts may include evaluations, parent recommendations and student achievement scores.

Single salary schedule- scale used in most states on which teacher salary is based. The scale takes into account teaching experience and education level.

Standardized test- tests students complete at a point in the school year. The test is given and scored in a standard matter, providing school districts with consistent

data of student achievement.

### Delimitations

There were delimitations in this study, including:

- Teachers must have a minimum current class A teaching certification;
- Teachers in grades kindergarten through five participated in the survey;
- The completion of the survey by teachers were limited to one school district;
- The study did not include administrators and teacher assistants.

### Assumptions

It was assumed that all participants completed the survey honestly and as accurately as possible. It was also assumed the participants voluntarily completed the survey.

### Justifications

The purposes of this research project were to discern perceptions of teachers in a southern school district toward a merit pay system and to determine whether teachers would participate in a merit pay system before establishing one in that district. It is important to gauge teachers' opinions of financial stipends before implementing a merit pay system, since its success or failure will be largely based on teacher participation. Since merit pay systems are expensive to implement in a school district, and the creation of a merit pay system is time consuming, a school district must carefully consider every financial aspect of a merit pay system in addition to teachers' perception of a merit pay system.

Besides the financial aspect and teachers' perception of a merit pay system, school systems that implement merit pay systems should ensure that building principals understand their responsibilities in a merit pay system through training and professional

development. If the building principal plays a pivotal role in the ongoing documentation of the teacher's success in the classroom, they must be adequately trained to evaluate teachers fairly and consistently, according to the guidelines set by the merit pay system the school district creates.

Finally, implementing a merit pay system may retain highly-qualified teachers in a school district. The research in the Literature Review of this study revealed that the number of teachers leaving the education field is increasing due to retirement age and dissatisfaction with the profession. A merit pay system may encourage teachers to continue teaching by offering them financial stipends based on teacher evaluations, standardized test results and additional education.

The data gathered from this research project may be an additional help to building principals who are concerned with teacher morale in their individual schools. While they cannot make the momentous decision to implement a merit pay system in their individual schools, the building principal can utilize the data gathered from this research project as a vehicle to open the lines of communication between the building principal and staff, with the intention of brainstorming ways to improve teacher morale and build a more professional climate in their school.

The results of this research project contributed to the education field in many ways. Since Mississippi already has informally adopted the National Boards for Professional Teaching Certification as its merit pay system, teachers that complete the survey may feel an additional merit pay system is not necessary. The result of this project was a snapshot of how teachers on the Gulf Coast feel concerning the inclusion of test scores in a merit pay system. Because the success of a merit pay system relies on teacher participation, this project may be used as a tool to help school districts in the local

area to further research the idea of merit pay as a possible solution to recruiting and retaining highly qualified teachers.

In summary, the implementation of a merit pay system cannot be decided without conducting a wide scope of research. The research questions and hypotheses addressed in this chapter may reveal whether a merit pay system would be successful in a southern school district.

## CHAPTER II

### LITERATURE REVIEW

#### Theoretical Framework

Even though there are many theories that advocate merit pay in the business world and the education field, three stood out to the researcher. The first one is the Two Factor Theory or Motivation-Hygiene Theory by Frederick Herzberg (McClelland, 2005). The theory states that people have two distinct needs: to avoid pain and to grow psychologically. Both intrinsic and extrinsic factors motivate people toward psychological growth. Merit pay can be considered an extrinsic factor. According to McClelland, (2005) “it is the responsibility of business and industry to provide the means for growth and self actualization” (p.1). School districts could provide the means for this growth by offering teachers the opportunities to grow professionally. Opportunities can include attending additional staff development activities, expanding responsibilities that include mentor positions, working with new teachers or improving current school curriculum. Professional growth for educators can also include the accomplishment of higher degrees or additional certifications. Merit pay could be an extrinsic factor that rewards teachers who participate in professional growth opportunities a school district offers. Extrinsic rewards can play a powerful role in student achievement. “Rewards provided to teachers ... are a mixture of intrinsic satisfactions ... and extrinsic benefits” (Mitchell & Peters, 1988, p.75). For example, while teachers could receive a bonus or promotion, improved working conditions and working with adequate coworkers can also be used as an effective reward. A study conducted by Margaret Pastor in 1982 emphasized that teachers’ intrinsic motivators may not be financially-based (Ellis,

1984b). The survey conducted by Pastor found that teachers wanted to be part of the decision-making process in a school, valued their freedom, creativity and independence as a teacher, and wanted opportunities to learn more about teaching techniques and methodology (Ellis, 1984a). Additional research on the subject of intrinsic rewards “has shown ... teachers are most sensitive to intrinsic rewards directly related to their relationships with students and coworkers” (Mitchell & Peters, 1988, p.75). Teachers take pride in the successes of their students and enjoy pleasurable relationships with their colleagues; both of which are intrinsic rewards that no merit pay system can dictate. The ideal merit pay system would weave both intrinsic rewards and financial benefits together to encourage teachers to stay in a pressurized profession and increase student achievement.

A 1960s model of employee theory can be applied to today’s merit pay system in education. The Expectancy theory (Vroom, 1964) developed by Victor Vroom in 1964, states that a reward will motivate employees to produce more, but only if financial gain is a motivation. His theory maintains that individuals expect that their outstanding effort will lead to good performance, and in turn, that the good performance will lead to a reward. In order to promote successful teaching practices in the classroom and to encourage a pursuit of continuing higher education, according to Vroom’s theory, it may be necessary to reward teachers who go the extra mile to increase student achievement in their classrooms. School districts that model a merit pay system after Vroom’s theory must clearly define the goals they would like teachers and students to achieve and the financial reward once the goal has been attained. Goorian (2000) observes “an estimated 50% of new teachers leave the profession within five years, many of them citing money and professional dissatisfaction as key reasons” (p.3). In recent years, additional

responsibilities have been placed on teachers' shoulders, since schools have become the "main institutions for dealing with ... everything from drugs and alcohol, to gangs, to lack of daycare and recreation facilities, to sexual and health education" (Peterson, 2000, p.4). Teachers yearn for validation in their profession. Merit pay could be one of the ways to achieve the validation they seek.

The national survey, "Teaching At Risk: A Call to Action" conducted by Peter D. Hart Research Associates and Harris Interactive on behalf of The Teaching Commission revealed interesting results concerning implementation of a merit pay system in school districts. The survey included citizens and teachers. The results confirm Vroom's Expectancy theory. According to the survey results, 45% of the teachers polled contend that the teacher is the "single most important factor in determining student achievement" (*Teaching At Risk*, 2004, p.1). The study determined that 71% of the general public does believe teachers ought to earn more and that teachers should be paid more than they are today. Further, this study discovered that one-third of the teachers polled agreed that teachers should receive "extra pay ... if students posted gains in academic achievement as measured by test results and other measures" (*Teaching At Risk*, 2004, p.2). Two-thirds of the participants believed teachers should receive extra pay based on principal evaluations. Nine out of ten teachers polled "support a multi-faceted approach to improve the teaching profession, which includes enhanced professional development, more rigorous teacher training and subject knowledge tests, better mentoring programs for new teachers, and more authority for principals and innovative salary schedules" (*Teaching At Risk*, 2004, p.4). The study concluded that teachers do believe their profession ought to be paid more when teaching high risk students; 77% of the teachers participating in this study agreed teachers teaching in high-poverty schools should



receive additional pay. Teachers participating in this study also believed teachers that teach “hard-to-staff subjects ... math, science and special education” (*Teaching At Risk*, 2005, p.2) should receive bonus pay.

A third theory that may advocate merit pay is John Stacey Adams’s Equity theory of job motivation (Sharma, 1995). According to Adams’s theory, individuals will be satisfied based on feelings of just compensation for their efforts and accomplishments. Individuals seek a fair balance of input, what the employee puts into the job, and output, what the employee gets for completing the job (Sharma, 1995). An example of input is the effort teachers may put into their profession, despite unsatisfactory working conditions. For instance, some school districts do not allow teachers to leave the school campus until the school day ends. Breaks are an endangered species in many schools. Many teachers use any kind of free time to copy written assignments, create lesson plans, conference with parents and students, or grade papers. According to “Teaching as a Profession” (2003), “classroom teaching conditions are a lot like those of blue-collar workers. Teachers rarely have their own offices and lack services ... such as a secretary, telephone, typewriter, fax machine or copier” (p.1). Because a teacher’s workday is so structured, many teachers do not have the time to conduct intellectual conversations with colleagues or meaningful conversations with students. A teacher’s commitment to his/her profession, students and administration may be rewarded with output, merit pay. Merit pay is a system that has played a controversial role in education since the general public has become more aware of the lack of pay teachers receive in exchange for their vital part in children’s education.

### Motivation

Motivation is an important aspect of a school district’s climate because it can

have a direct effect on teacher retention. Motivation is a factor that can increase productivity in a business or school. Teachers may be motivated by additional pay or approbation of accomplishments inside the classroom.

It is important to realize that what motivates one person, may not interest another. Some people ascribe to extrinsic motivation. Extrinsic motivation takes place when a person is compelled to act or complete a task and promised a subsequent tangible award when the task is completed. Financial rewards for producing products is an example of extrinsic motivation. Others may prefer intrinsic motivation. Intrinsic motivation focuses on feelings of self-worth and confidence; or completing a task for the sake of accomplishment or a feeling of what a person is completing is significant. People that prefer intrinsic motivation may thrive when praised or recognized for accomplishing a task. To truly understand the concept of motivation, one must research several theories that pertain to motivation.

### Teacher Retention

Research uncovers a myriad of reasons teachers leave the education field, including lack of support from administration and parents and additional pressure placed on them by mandates such as the No Child Left Behind legislation. Some research finds that, while dissatisfaction with salary is a common reason cited for leaving the educational field, “it is not necessarily the most important component in teachers’ decision whether to leave or remain in the position” (Allen, 2005, p.3). As this particular piece of research emphasizes that a lack of salary may not be the most apparent reason for leaving the profession, salary issues are the common theme in most recent research concerning teacher retention. Other research finds that salary is the leading issue of teacher retention. A study taking place in California in 1996 found that teachers who are

contemplating leaving the profession cited lack of salary as one of the most important reasons why they are leaving education. The study, conducted by Gritz and Theobald in 1996, also found that “compensation is the most important influence on the decision to remain in the profession for male teachers and experienced female teachers” (Buckley, Schneider, & Shang, 2004, p. 2). The results of this study are significant because additional research indicates experienced teachers produce more academically achieving students. According to Sanders and Rivers (1996), “the most dominating factor affecting students’ achievement over time was the effect of the teacher, and that this effect increased over time” (p. 16). In order to retain experienced teachers, financial stipends should be offered to encourage experienced teachers to stay in the education field. Findings from a study in North Carolina supports the theory retention of teachers may be tied with salary. After questioning over 500 teachers from North Carolina in 1975 and 1984, Murnane and Olsen (1990) found that

salaries had an important relationship to the length of stay in teaching: teachers who were paid more tended to remain longer in the profession ... salary was associated with a two or three year increase in the length of stay of a teacher who started teaching in 1975 and a 15% increase in the probability the teacher would stay in teaching for at least 10 years (p. 117).

Students are not the only ones who gain from an experienced teacher. According to Recruiting New Teachers, Incorporated, in 2006, more than half of the teacher population will have *less* than ten years experience. Teachers that are newly hired, whether straight out of college or with prior experience, benefit from the support of an experienced teacher. Experienced teachers can increase the quality of instruction students receive. Experienced teachers can mentor new teachers in a building.

Experienced teachers are essential to school reform because they promote continuity and consistency in a school.

### The Federal Government's Role in Education

As the United States became a more stable country, the idea of education became increasingly popular. As early as 1779, two of the country's leaders, Thomas Jefferson and Benjamin Franklin, emphasized the need for a public education system to improve the country's prosperity. Under Horace Mann, the federal legislature began to provide funds for a public education system, and over one hundred twenty five years later, almost all states included the creation of a public education system in their state constitution. By 1900, over one million children were attending school, with five percent going on to high school ("Timeline of Public Education," 2006).

Even though the United States was considered one of the most progressive countries concerning the funding of public school education, when Russia launched the Sputnik in 1957, questions were raised concerning the quality of education students were receiving. Prior to 1957, the federal government had not played an active role in governing states' public school policy, beyond allotting federal funds beginning in 1837; that stance changed in 1958 when the federal government took on a more active role in public education by enacting the National Defense Education Act, promoting science and math in schools' curriculum. Since 1958, the federal government has passed several key pieces of legislature to improve public education, including the Elementary and Secondary Education Act (known as Title I funding) to increase funding in low income areas across the country, and The Education of All Handicapped Children Act (PL 94-142), giving all children, regardless of mental aptitude, the right to a free public education.

As public interest in education increased, monitoring student progress and accountability became an important aspect of education. When the results of the study, *A Nation at Risk*, was published in 1983 by the Reagan administration, it brought attention to the decline of student test scores and the lack of academic achievement in schools across the country. This report revealed that students in industrialized nations similar to the United States were outperforming students in America. The report called for state-mandated curriculum, improved state testing, and more frequent standardized testing to monitor student progress. In response to this report, most states began to restructure the instructional curriculum and increase student monitoring by administering standardized tests, such as the Iowa Test of Basic Skills (ITBS) and the TerraNova CAT test on a yearly basis.

Despite the increased funding of the education system in the United States-over \$200 billion has been spent on education since the passing of the Elementary and Secondary Education Act of 1965 ("Fact Sheet," 2006)-students in public schools are not advancing as much as many other industrialized countries. To combat the decline in student achievement, in 2001 the Bush administration passed the *No Child Left Behind Act*. This federal mandate encourages improvements in several areas of education. This act calls for more accountability in each state by requiring that students in grades three and eight must pass state proficiency tests in order to be promoted to the next grade. The act also calls for 95% of the student population in each school district complete a standardized test each year to measure adequate yearly progress (AYP), and the results of the standardized tests must be made public each year. States that fail to make AYP will "be subject to improvement corrective action, and restructuring measures aimed at getting them back on course to meet State standards" ("Fact Sheet," 2006, p.1).

Another important aspect of the *No Child Left Behind Act* is the impact it could have on the teaching population. By 2005, this federal mandate requires that all teachers are to be highly qualified in the core academics they teach. For example, a teacher that teaches eighth grade English can no longer have a K-8 certification; he/she must also have an English certification to be considered highly qualified. Each state determines their own criteria for teachers to become highly qualified. In Mississippi, teachers that are newly certified to teach must not only have a grade specific certification (K-8 or 8-12), he/she must also have a certification in the specialized subject they are hired to teach. Becoming highly certified in specific subjects means that teachers must complete additional coursework in their college careers. In order for veteran teachers of Mississippi to earn a highly qualified status, he/she must provide documentation to the Mississippi Department of Education detailing the number of years experience he/she has acquired teaching, attendance of professional development that pertains to the subject they teach, any awards, recognitions or publications the teacher has received, and college transcripts. According to the Mississippi Senate Bill 2602, the Mississippi Department of Education will provide a standard five-year license to teachers that meet the federal definition of Highly Qualified under the No Child Left Behind Act (“Spring 2006 Legislative Update Workshop,” 2006). The Bill does not mention a salary supplement for teachers that meet the federal definition of “highly qualified.”

To further complicate the highly qualified issue is the allotment of Title I funds. A school’s Title I qualification is based on the socioeconomic background of its student body. School districts qualify for additional federal funding (Title I funds) based on the number of students that eat lunch free or at a reduced rate. Schools that qualify for school wide Title I funding must hire highly qualified teachers beginning 2002. In Title I

targeted-assistance schools, Title I funding must be spent on highly qualified teachers (“Fact Sheet,” 2006). Since Title I may be a large portion of a school’s financial budget, administrators must ensure that their staff is considered highly qualified in order to continue to receive federal funding.

## The Teacher Salary Schedule

### *The Single Salary Schedule*

Schools began to dot our country’s landscape in the late 1800’s. These schools were designed primarily to teach “basic academic skills and moral education for children” (Kelley & Odden, 1995, p.1). The pay for a teacher consisted of room and board, “reflecting the barter economy of the time” (Kelley & Odden, 1995, p.1). Teachers often lived with students’ family, residing in different homes each week. This living arrangement was an excellent way to supervise teachers, since at this time in history, they were “an example of high moral standards to the children, rather than they be academically talented” (Protsik, 1995, p. 3).

As the United States became more populated, the country’s make up altered from an agriculturally based country to an industrialized country. The need for an improved education quickly became clear, and burgeoning educational reforms changed the face of American schools. School years were no longer strictly based on an agricultural calendar, and for the first time, students were placed in classes based on age and ability. States began to require teachers to become certified, by passing “county examinations or teacher institutes” (Protsik, 1995, p. 6). As the general public realized schools needed to provide students with more than basic skills, the public began to pay teachers monetary stipends instead of relying on the barter system. As stipends for teachers began to center around a teacher’s experience and preservice education, a graded pay schedule was

created to reduce discrepancies in teachers' salaries. However, this pay schedule took into account gender and race; for example, "in 1876 in Boston, salary for male grammar school teachers ranged from \$1700 to \$3200; pay for female grammar school teachers ranged from \$600 to \$1200" (Protsik, 1995, p. 7).

As the male population dwindled from the education profession, female teachers began to speak out against the graded pay schedule. In 1897 the Chicago Teachers' Federation fought against the bias graded pay schedule and lobbied for a fairer pay schedule. As a result of teacher federations rebelling across the country, a single salary schedule was created to decrease racism and discrimination. This single salary schedule, first used in Denver and Des Moines, was based on a teacher's college degree and years experience (Protsik, 1995).

#### *Advantages of the Single Salary Schedule*

Using a single salary schedule, teachers are paid based on two objective requirements: years of experience and college degrees. Contrary to previous salary schedules used in early school districts, gender, race and administrative evaluations are not included in the schedule. Bacherach and Bamberger (1990) contend that the single salary schedule "... reflects our basic understanding of how teachers acquire their skills" (p. 322) through experience and attainment of degrees. As teachers become more experienced and more educated, their pay is raised accordingly.

According to Protsik (1995), the transformation of the graded pay schedule to a single salary schedule "changed the working relationship between teachers and their supervisors. It eliminated administrative control over teacher's work, giving teachers greater autonomy in the classroom" (p.10). School districts continue to use the single salary schedule in order to plan for future salary expenditures. By using a scale that can



be applied to all teachers, superintendents and financial managers can predict the amount of revenue needed to fund salaries for future school years. Since the single salary schedule has been used across the country over the last 100 years, superintendents and financial managers are very familiar with it and use it easily, eliminating extensive and costly training for administrators. Teacher unions support single salary schedules because it fairly represents teachers' salary based on years experience and college education.

### *Disadvantages of the Single Salary Schedule*

While the single salary schedule alleviates racial and gender discrimination, it is not based on the number of hours a teacher spends in preparation of lessons or in staff development. In order to increase their salary, a teacher must continue teaching **and** acquire additional college degrees. The additional salary a teacher receives after achieving a master's degree may "simply cover their education expenses" (Protsik, 1995, p.11) and may not improve teaching effectiveness. According to Protsik, there is little evidence to show that acquiring additional college degrees improves a teacher's skills in the classroom. Carolyn Kelley (2000b) observes single salary schedules have several disadvantages, including a lack of "incentives for focusing coursework on developing skills to enhance performance and makes no effort to determine whether teachers use their new skills to improve their practice" (p.1). In addition, extensive post graduate work and many years of experience are needed to increase a teacher's salary significantly. By using the single salary schedule, there is no incentive for teachers to collaborate together and focus on the goals a school district has set for its students. More recently, the single salary schedule has not been adjusted based on the ratings a school receives according to the "No Child Left Behind" federal legislation.

### *Financial Aspects of a Single Salary Schedule*

Setting a fair and consistent salary schedule improved the quality of teachers by requiring college degrees and providing larger salaries for additional years of teaching experience. However, the salary a teacher makes is still not comparable to what other professionals make after acquiring a bachelor's degree. The national average for a teacher with a bachelor's degree is \$48,050, while an engineer with a bachelor's degree earns \$73,002 (Geary, 2002). Teachers from ages 22-28 earn an average of \$7,894 less than professionals of the same age in different fields (Peterson, 2000). In Mississippi, as of 2003, the average salary for a teacher is \$34,555, almost \$6061 lower than the average in the Southeastern states and \$11,142 less than teachers nationwide ("Ranking and Estimates," 2004).

While these figures are disturbing, there is a trend taking place that may work against teachers receiving pay raises. Dale Ballou at the University of Massachusetts and Michael Podgursky of the University of Missouri observe "clever college students are the least likely to choose education as a major at university. Among students who do major in education, those with higher test scores are less likely to become teachers" ("Paying Teachers More," 2000 p.1). In 2000, only 1% of the teaching population came from the highest aptitude group according to Harvard economics professor Caroline Hoxby and Andrew Leigh (Gelinas, 2005). Intelligent and talented college students are more likely to choose careers that reward professionals for their accomplishments. In order to keep pace with the requirements of today's curriculum, teachers must have the background knowledge and the capability to plan and execute lessons to increase student achievement. Unfortunately, college students that exhibit higher intelligence and greater capabilities are choosing careers that reward them financially for their intelligence and

talent. The single salary schedule does not take intelligence and talent into consideration; a talented teacher is paid the same salary as a mediocre teacher with the same degree and year experience (Gelinas, 2005). Because the public is aware of this trend, support for increasing teachers' salaries is lukewarm. Using the present single salary schedule for teachers may be one reason why the general public does not take education seriously. The general public is aware that a teacher's pay is based on education and experience; mediocre teachers are paid the same amount as stellar teachers. According to Thomas R. Hoerr (1998), "... voters are thus less likely to favor higher taxes for education when they know that everyone in the school system, good and bad, will receive the same raise" (p.326).

#### *Use of Standardized Testing to Evaluate Teachers*

Utilizing a test as a measurement of achievement is not a new idea; standardized testing to predict a person's knowledge has been used since World War I. Known as the Alpha, this achievement test was "designed to sort out examinees based on their relative mental abilities" (Popham, 2002, p. 2). Standardized testing became a chief motivator in the school systems beginning in 1969 when President Richard M. Nixon introduced his "performance contracting" initiative. This plan included a merit pay system for teachers and a reward system for students based on standardized test results. Once schools became segregated, it was evident that students from lower socio-economic backgrounds did not achieve as well students from higher socio-economic backgrounds. The Department of Health, Education and Welfare chose the Texarkana School District in Arkansas to implement the use of standardized test scores to evaluate student achievement (Wilms & Chapleau, 1999). Even though the implementation of a school district merit pay system in Texarkana, Arkansas, failed, it promoted the practice of using

standardized testing results to be the deciding factor on whether a school district is deemed successful or unsuccessful.

The inclusion of standardized testing to judge a school system's progress has been debated since the Texarkana debacle. Standardized test results measure a student's acquired knowledge of skills and often are in multiple choice format. Even though a multiple choice format may be easier to grade since completed tests are sent off to the manufacturer to score and analyze, the multiple choice format falls short of determining the higher order thinking skills a student may use. Cizek (1998) sums up the multiple choice format by reporting "a multiple choice question can test a student's ability to identify the right sequence of a story, but it cannot examine whether the student can produce an interesting story" (p.27).

According to the teacher unions, standardized test "scores are significantly influenced by factors outside the classroom or beyond the teachers' control" (LaFee, 2000, p. 4) including the time a student spends outside of class preparing for standardized testing. Factors may also include the student's socioeconomic stance, whether they reside with a single parent or either parents, or the level of education their parents have received. According to Wilson and Van Keuren (2001), "there is growing concern that measuring student achievement with the current standardized tests ignore many important aspects of a student's education, including the arts, vocational education and physical education" (p. 8). The quality of teaching may diminish when teachers participate in a merit pay system based on students' standardized test results. If the deciding factor whether a teacher receives merit pay is her students' numerical scores on a standardized test, "the curriculum may be narrowed to include subjects that can be easily taught by drill and repetition and that are easily measured" (Wilms & Chapleau, 1999, p.1). Thus,

authentic engagement in a classroom takes a back seat. Students may miss out on becoming creative thinkers and logical problems solvers by being spoon fed facts found on a standardized test. Students may lose their enthusiasm for learning when activities center on how to complete a standardized test accurately, instead of activities that apply higher order thinking skills and creative writing skills.

While the use of standardized testing may not be condoned by some of the teaching population, standardized tests do have a value in the improvement of education. Standardized tests can ensure that the standards school districts hold students and teachers accountable are fair, challenging and realistic. Standardized tests can confirm that lessons taught by teachers align to the curriculum their schools have put in place. Standardized tests, when used in conjunction with student portfolios or other sources of documentation, can be an indicator of student growth and achievement. Finally, if interpreted correctly, standardized test scores can help schools create a vision in which to drive their curriculum and improvements toward.

## Merit Pay

### *The Definition of Merit Pay*

According to the Department of Labor, merit pay is defined as “a raise in pay based on a set of criteria set by the employer” (“Wages,” 2006, p.1). Merit pay systems implemented in school districts across the country vary the set of criteria. Some merit pay systems may be based on the school’s gains in student achievement, while other systems are based on the results of student achievement under individual teacher’s assignments. While many merit pay systems include standardized test scores, creators of merit pay systems may choose additional coursework and more responsibilities as requirements to earn financial stipends. Teachers that work in low-socioeconomic

schools or work with students that are considered at-risk may also receive a financial stipend.

### *The Origin of Merit Pay in School Systems*

While merit pay, “a generic term for any device that adjusts salaries or provides compensation,” (Ellis, 1984a, p. 8) has not been restricted to a single profession, it has been utilized in schools around the world for over 300 years. It first surfaced in England in 1710 and was conceived to ensure that children from poor families would achieve an education in reading, writing and arithmetic (Hinerman, 2002). It was incorporated into the Revised Education Code in 1860 and remained until approximately 1900. Evaluators observed that teachers were teaching students basic test facts and were neglecting the Fine Arts--drama, music and art. It was removed from the England’s education system when evaluators became aware that teachers and administrators “were becoming obsessed with results of student performance” (Hinerman, 2002, p.3). Curricula in the English school system were narrowed down to subjects that created measurable results; these subjects excluded drawing, science, singing and even school gardening (Wilms & Chapleau, 1999).

Almost a century later merit pay gained popularity in Canada’s school districts. In 1883, the merit pay systems were halted when it became clear to the Canadian public that, while test scores were improving, students that were more likely to succeed were given preferential treatment. Students who had more difficulty achieving were pushed aside. Teachers and administrators taught to the test and created pacing charts and curricula based on subjects found on the test.

### *Merit Pay in the United States*

The first school system merit pay system in the United States was developed in

Newton, Massachusetts, in 1908 (English, 1992). Unlike the single salary schedule, merit pay systems have a unique flexibility; states can create merit pay programs based on the objectives the school boards and the general public wish to achieve, while “in other programs, teachers are responsible for proposing objectives for themselves or for their students, the fulfillment of which entitle the teacher to merit pay” (Ellis, 1984a p. 5).

Merit pay systems have been based on individual teachers’ progress with students.

Previous systems were based on administrative evaluations, and in the last fifty years, standardized test scores. Today, almost every state has either passed legislation for merit pay programs for teachers or are considering legislation that would enact merit pay programs in their education budgets. More modern merit pay systems include teacher evaluations, student performance results and a teacher portfolio that includes “artifacts such as scholarly papers, new curricula written by the teacher, logs of parental involvement, samples of tests and assignments, lesson plans and essays reflecting on the teacher’s practice” (Odden et al., 2001, p. 4).

Merit pay began to rapidly appear in schools when President Richard Nixon expressed growing concern over “lack of educational achievement among the growing population of urban poor” (Wilms & Chapleau, 1999, p.2). As schools were desegregated, the performance gap between black and white students, poor and wealthy students grew wider. The Texarkana school district in Texarkana, Arkansas witnessed the gap and created a merit pay system to encourage teachers to elevate student achievement. The difference of this merit pay system from the failed systems of England and Canada was the inclusion of standardized testing. The Texarkana school district was the first school district in the United States to include standardized testing results as an evaluation tool for merit pay. Students and teachers were included in the financial

reward system. In 1969, as the public's concern over education increased, the Texarkana school district guaranteed student success by utilizing standardized test scores to measure outcomes. A merit pay system was created in the school district that increased teacher pay and awarded students that improved their test scores. Teachers were offered financial incentives and students were offered "... free transistor radios, green stamps and free rock music" (Wilms & Chapleau, 1999, p.2). The merit pay system was quickly removed from the Arkansas school system when a scandal broke out concerning students cheating on the standardized test. While the merit pay system was initially successful, cheating and the lack of future improvement of student achievement forced the Texarkana school district to drop the system.

A plan adopted in 1987 in Fairfax County Public School in Virginia offered bonuses equal to 9% of salaries for teachers that were rated as "skillful" or "exemplary" (Hatry, Greiner, & Ashford, 1994). Teachers qualified for the additional stipend through satisfactory evaluations from their administrator. In 1986, approximately 23% of the teachers employed with the Fairfax County School District was awarded the financial stipend. In 1992 the merit pay system was suspended because of the \$8.4 million price tag (Gursky, 1992).

In 1987, Tennessee created the Career Ladder Evaluation System. Teachers participated in the three-step program to increase their pay. When teachers reached the third step, Level III, they were considered master teachers and were awarded up to a \$7,000 stipend. In order to reach a Level III certification, teachers were evaluated on "multiple domains of competence, using ... student and principal questionnaires, peer evaluations, a teacher portfolio and a written test (Dee & Keys, 2005, p.63). The results of the Career Evaluation Ladder Evaluation System indicated that students who were



taught by a career-ladder teacher scored higher on Tennessee's standardized test. These students scored three points higher in reading and two points higher in Math than students that did not have a teacher participating in Tennessee's merit pay system, Career Ladder Evaluation System (Dee & Keys, 2005). Results of this merit pay system also revealed that students who were taught by new teachers that were participating in the merit pay system made greater gains in math--4.1%-- than students who were taught by new teachers that were not participating in the merit pay system (Dee & Keys, 2005). Ten years after the Tennessee legislature voted to institute the Career Ladder Evaluation System, they voted to stop offering the program, due to budget constraints, inconsistent test results, and sharp criticism.

Despite dismal failures of merit pay in the past, there are several current successful examples of merit pay systems across the country. According to Goorian (2000), Cincinnati did away with the traditional yearly teacher pay scale in 2000 and created a pay scale based on five categories and accompanying salary increments. As Goorian (2000) notes, "the plan is a 'knowledge-and-skills-based' system, rewarding teachers for meeting goals set by the district rather than student test scores" (p. 12).

Douglas County, Colorado has "one of the most comprehensive alternative plans in the nation. The plan is multifaceted, combining elements of both pay-for-performance plans and knowledge-and-skills-based plans" (Goorian, 2000, p.2). Teachers in Douglas County can participate in the merit pay plan by obtaining additional college degrees in education, receiving an outstanding teacher award, accepting more responsibilities in their school or by receiving group pay, based on the school's achievements (Kelley, 2000a). Teachers' base salary is determined by their number of years of receiving successful summative evaluations and their level of education. Teachers may participate

in six incentive bonus components. While the components differ in requirements, there is an underlying theme among the six components: increased professional growth of teachers. Teachers must submit teacher portfolios or documentation in order to be eligible for the financial stipends. In addition to teacher portfolios, some components may require attendance of professional development training and working with a set of colleagues to achieve a goal set by the school district. Since its inception in 1994, the Douglas County School District has seen positive results. According to a report written in 2002, The Educational Research Service found (“Incentives for Teaching Quality,” 2005), “student achievement in Douglas County has improved by virtually all measures” (p.4).

In 1992 the Charlotte-Mecklenburg school district in North Carolina unveiled their version of a merit pay system. The program “provides an opportunity to clarify educational goals and objectives and to develop collaborative working relationships among teachers” (Kelley, 2000a, p.3). Improvement goals are written for the schools based on students’ performance in previous years. Information to create goals for the upcoming school year is gathered from previous student achievement, student results on readiness tests, and subject matter mastery. Teachers earn bonuses up to \$2000 for the improvement of the performance of the school. The results are promising; performance of students in kindergarten through eighth grade increased significantly based on grade readiness, absenteeism, student test scores and subject matter mastery (Summers & Crawford, n.d.). The school-based performance program in Charlotte-Mecklenburg is still active.

The oldest and most successful example of a merit pay system is found in the Ladue School District in St. Louis, Missouri. This merit pay system was first

implemented in 1953 and has been in use for 50 years. The basis of the plan is not student achievement; rather it is based on “teacher behaviors ... preparation of skills, knowledge of approved curriculum, effective delivery of instruction, maintenance of a learning environment that encourages mutual acceptance and respect, evaluation of student performance and the ability to provide for individual differences and motivate students” (Morice & Murray, 2003, p.1). The merit pay committee is comprised of teachers, parents and administrators who monitor current trends in education and revise the merit pay system when necessary. Teachers document their accomplishments based on the merit pay system’s criteria and earn approximately \$150.00 per point. Continuous communication between the administrator and the teacher occurs because numerous pre- and post-conferences are held throughout the school year, giving teachers much needed support and constructive criticism (Younger, 2004). By utilizing this point program, Ladue School district has eliminated the single salary schedule and does not award teachers for acquiring additional degrees. Instead, “the district supports graduate study through a tuition assistance program that reimburses up to \$6,000 per degree ... a teacher can receive tuition assistance for an unlimited number of degrees during his/her employment” (Morice & Murray, 2003, p. 2).

#### *National Board for Professional Teaching Standards as Merit Pay*

National Board for Professional Teaching Standards (NBPTS) is often used as an example of merit pay because of the rigorous requirements and optional financial stipends. Many states pay National Board certified teachers a stipend upon successful completion of the process. To promote the process, approximately half of the states in the United States pay the \$2,000 enrollment fee for National Board for Professional Teaching Standards. In Mississippi, successful National Board candidates receive an

additional \$6,000 in their contract. In Florida, candidates receive a 10% raise and an additional \$3,000 to be a National Board Mentor. Fifty percent of the teachers who go through the National Board certification process attain certification status on their initial try (Clowes, 2005).

Recent studies contend that National Board for Professional Teaching certification may not be a solution to an increase in student achievement. Studies show student achievement increased only marginally, regardless of being taught by a NBPTS certified teacher or a non-certified teacher. Dan Goldhaber and Emily Anthony compared gains of students that were taught by NBPTS certified teachers and non NBPTS certified teachers and found that “the differences were so small that they were unlikely to make any practical differences in the classroom” (Seebach, 2005, p.2). Eric A. Hanushek and Steven G. Rivkin analyzed the four value-added studies and found that NBPTS certified teachers “produced achievement gains of only about 8 % of one standard deviation, only slightly larger than those produced by their non-certified colleagues” (Clowes, 2005, p. 3). National Board for Professional Teaching Standards disagrees with findings that suggest students do not learn more with a NBPTS certified teacher. To prove NBPTS certified teachers do make a difference, in 2001 the National Board for Professional Teaching Standards conducted a series of studies to correlate increased student achievement to NBPTS certified teachers. Research director David Lussier contends:

National Board certified teaches are not only helping to raise student achievement, but we know they’re doing it well. They’re meeting a set of standards that has through a wide consensus has been seen as providing the most comprehensive definition of what accomplished teachers should know and be able

to do (Clowes, 2005, p. 3).

NBPTS further challenges that the value-added studies do show a correlation of increased student achievement and a NBPTS certified teacher. Because standardized testing only tests students' knowledge based on a narrow set of objectives, the results "may not represent the full array of value that students are gaining from having highly effective teachers" (Clowes, 2005, p.2).

#### *Cautions Concerning Merit Pay*

Merit pay programs often fail because of a lack of planning. School boards often do not project the cost of initiating merit pay programs, evaluation and implementation of the program, and the stipends teachers receive. Other programs fail due to poor planning and unfair evaluation techniques. Thomas Ellis (1984a) observed that "failure of merit pay results from ambiguous or inconsistent standards" (p. 3). Carolyn Kelley (2000b) has maintained merit pay systems have failed because "the history of performance pay ... suggests a limited financial and substantive commitment" (p.4) by school districts predict their failure in a school system.

When merit pay systems are based on administrator's evaluations, the process can become subjective, rather than objective. Since teaching is such a complex action, it is difficult to pin down the exact actions a teacher must take in order to improve student achievement and earn a financial stipend. Most evaluators would have a difficult time answering the question, "Why did one teacher receive merit pay and another one did not?" (Peterson, 2000, p.2). The job description of administrators must be changed; administrators must be comfortable concerning the accountability of the learning that is taking place in the classroom. They must be very knowledgeable of each student's gains in the classroom in order to fully understand and acknowledge the strides a teacher has

made. Administrators should feel confident in their ability to judge superior teaching practices. Further, an administrator must be adequately trained to observe teachers and be able to provide adequate documentation to support their decision on whether a teacher should receive a financial stipend. In order to maximize a teacher observation, teachers and principals must be willing to “engage in dialogue about quality and how it will be measured” (Hoerr, 1998, p. 326). It is essential that the administrator and teacher work closely together to ensure quality lessons are taking place in the classroom. If a school district incorporates a merit system in their district, administrators must be a part of the training process.

A study conducted by Richard Murnane and David Cohen found that “merit pay was not an effective strategy for motivating teachers to achieve high performance levels” (LaFee, 2000, p. 2). In addition, their study found that most merit pay systems are shelved within five years of their implementation.

The Urban Institute Study of Merit Pay Systems examined eighteen school districts that utilized a merit pay system. The study found that while merit pay did increase initial student achievement, over the years, a merit pay system did not improve a student’s success. According to the study, school districts were unable to continue the merit pay systems on a long term basis due to budget constraints. The study cited several negative outcomes of implementing a merit pay scale, including increased teacher competition, lower teacher morale, the high cost of the merit pay plans, and the time constraints of instituting and continuing those plans (*Urban Institute Study of Merit Pay Systems*, 2005).

### *Teacher Unions Opinions*

Teacher unions traditionally regard any merit pay system as a “quota for

determining quality” (“Merit Pay,” 2001, p.1), and both the American Federation of Teachers and the National Education Association have strongly discouraged merit pay systems in any school district, regardless if the system is individual-based performance or school-based performance pay. While all teacher unions have opposed any merit pay systems in the past, the two largest unions--American Federation of Teachers with 900,000 members and National Education Association with 2.2 million members--are willing to support the school systems in Cincinnati and Douglas County, Colorado if the systems prove to be successful, fair, and consistent. Both teacher unions realize that in order to increase the teaching population some type of financial reward must be included in the traditional single salary schedule. In January 2005, both Bob Chase, head of the National Education Association and Sandra Feldman, head of the American Federation of Teachers, agreed that teaching salaries should be increased in order to revive the education field; however, they advocate teacher salaries reflecting the teacher’s level of education, instead of student achievement. “We remember past experiences with merit pay- compensation schemes that pitted teacher against teacher,” Chase said (Peterson, 2000, p.2). Both presidents support teacher salary schedules based on teacher education and experience, instead of a merit pay system based on results of standardized test scores.

School systems must carefully research successful merit pay systems that are being utilized in the education system before implementing a merit pay system. The school district must also make a long-term financial commitment to ensure the merit pay system will be successful.

#### Merit Pay in Mississippi

Two governors of Mississippi have contemplated a merit pay system as a means for increasing teacher salary and raising student achievement. In 1994, Governor Kirk

Fordice announced in his December State of the State address that Mississippi would use National Board for Professional Teaching Standards Certification as a means of merit pay for teachers in Mississippi. Under the National Board for Professional Certification program, teachers in Mississippi that earn the certification receive a \$6000 pay raise for the duration of the ten-year certification. As of 2004, there are 2111 National Board Certified teachers in Mississippi. While Mississippi rewards one of the highest financial stipends to National Board certified teachers, Governor Haley Barbour does not consider awarding National Board certified teachers a merit pay system. Instead, he encourages the idea of making teachers work harder to earn a bigger paycheck, for teachers to “break out of bureaucratic mold and reward them for their innovation and achievement” (Kinnison & Ladd, 2004, p.1).

After meeting with over 200 teachers in September 2004, Governor Haley Barbour chose to include a merit pay plan in his “UpGrade” Education Reform Act of 2005 “... that provides incentives and bonuses for teachers whose students show great improvement” (Pender, 2004, p. A4). The merit pay system would be modeled after one found in North Carolina. Barbour maintained the 200 teachers were not opposed to a merit pay system being implemented but had “tremendous concern that the system be fair to everybody” (Keller, 2004, p. 2). Governor Barbour has at least one ally; former Superintendent of Education Henry Johnson favors merit pay in Mississippi. Johnson contended at a House Education Committee meeting held on August 4, 2004 to prepare for the 2005 legislative session that “as the performance continues to get better ... we are going to have to raise the bar ... by allowing a merit plan for teachers” (Kinnison & Ladd, 2004, p.1).



### Retaining Teachers in Mississippi

A study conducted by the Monarch Center in January 2002 discovered that the teaching population in Mississippi is steadily declining. According to the study, in 2001, approximately 2,868 teachers left Mississippi for various reasons, leaving 31,017 teachers employed to teach almost 500,000 children. While the average teacher in Mississippi makes approximately \$34,555 –one of the lowest salaries in the United States – the state is making strides to attract teachers to Mississippi by offering a variety of financial incentives and compensation. For the 2004-05 school year, Mississippi teachers received the final installment of a four year plan to increase teacher pay. The legislative mandate enacted in 2000, raised teacher pay in Mississippi by 29%. Mississippi pays a financial stipend of \$6000 annually to National Board certified teachers for ten years. Mississippi also sponsors loan forgiveness programs to teachers that will transfer to impoverished areas. Mississippi includes state mandated mentoring programs in their school districts and offers alternative certification for people that earned degrees in other professions (science or mathematics, for instance) and would like to become certified to teach. While Mississippi does not offer a merit pay system on the state level, local school boards now have the authority to “spend federal No Child Left Behind funds ... to provide teachers ... with training, educational expenses, incentive pay and salary supplements” (Gaines, 2004, p.3).

To summarize, implementation of a merit pay system must be based on the needs of the school district, the cooperation of employees of the school district and the support of the constituents of the school district. Merit pay is a system that may improve student achievement and retain highly-qualified teachers if there is support from all concerned parties. Many merit pay systems are not successful due to financial constraints, so it is

essential that a school district research the financial aspects before it considers implementation of a merit pay system.

## CHAPTER III

### METHODOLOGY

#### Overview

Once permission was granted from the superintendent (see Appendix A), six elementary schools in a southern school district were included in the study, approximately 200 teachers. All teachers in each school were requested to complete the survey entitled “Merit Pay Survey” (see Appendix B). Participation was voluntary. Multiple Linear Regression analyses were conducted to analyze the data.

#### Research Design

The following dependent variables were utilized in the study:

- teachers’ opposition of merit pay will be measured by questions one, three and eleven;
- teachers’ perception of the requirements of a merit pay system will be measured by questions five, thirteen, fourteen, fifteen, and sixteen;
- teachers’ perception that merit pay could change the atmosphere of a school and the attitude of the staff will be measured by questions seven, eight, nine, and ten;
- teachers’ opposition of the inclusion of standardized student achievement test scores in a teacher’s merit pay portfolio will be measured by question sixteen;
- teachers’ perception of the number of classroom observations conducted by the principal will be measured by questions fifteen, seventeen, eighteen and nineteen;
- teachers’ opposition of awarding financial incentives to teachers based on locality and socioeconomic level of students will be measured by questions four, six, and twelve.

In addition, the following independent variables were utilized to conduct the multiple linear regression statistical analyses:

- Age of participant
- Experience of participant
- Education level of participant

The variables were collected through completion of the Merit Pay survey by the participants.

### Participants

The study was conducted on the elementary school level to narrow the size of the sample. The six elementary schools, grades kindergarten through fifth, consisted of regular education teachers, special education teachers, activity teachers, counselors, and subject interventionist teachers. Approximately 200 teachers were requested to participate in the study. These schools were chosen because they represent diverse characteristics found in the teaching population, including first year teachers and experienced teachers, teachers with bachelor's, master's and specialist degrees, and representation of a vast range of ages.

### Instrumentation

The instrument the participants completed was "The Merit Pay Survey." It was created by the researcher through extensive research of the topic of merit pay. The researcher reviewed the results of prior studies of merit pay to begin formulating questions pertinent to merit pay. Once the researcher reviewed literature pertaining to merit pay, questions were created based on the researcher's unanswered questions concerning the topic. The researcher constructed 30 questions. The first 25 questions pertained to teachers' perception of merit pay, inclusion of test scores for awards of merit

pay, and details regarding the evaluation of teachers; the last five questions pertained to demographics. Each time the survey was completed by teachers for projects in previous courses, the researcher refined the survey instrument based on teachers' feedback.

Once the survey was revised, it was reviewed by a panel of experts. The panel of experts included two assistant principals and one principal. The panel of experts gave feedback to the researcher. By using the feedback from the panel, the researcher was able to further refine the questions so they were more easily understood. Some questions were eliminated from the first draft of the survey because they were irrelevant. Other questions were combined. Overall, the original survey was shortened from 30 questions to 24 based on the feedback from the panel of experts.

The pilot study was conducted to ensure validity. Seventeen elementary teachers completed the survey. These teachers were attending a Saturday workshop with the school district, so completion of the Merit Pay survey was included on the agenda. Teachers volunteered to participate in the pilot study. Teachers were given brief directions on the completion of the survey and were requested to complete the survey by the end of the day. Once the survey was completed by the participants of the pilot study, the data was entered in SPSS to ascertain the Cronbach's alpha. According to the results of the statistical analysis, the Cronbach's alpha was .88.

#### Procedures

Once the survey was approved by the panel of experts and the pilot study, permission was obtained from the superintendent and the elementary school principals to conduct this study in the five elementary schools. A date was set at each school to have a short faculty meeting. At the meeting, the teachers were given a brief history concerning the creation of the Merit Pay survey and directions to complete the survey. They were

also informed that the survey was approved by the Institutional Research Board of the University of Southern Mississippi (see Appendix C). Afterwards, the teachers were given the Merit Pay instrument and requested to complete it. The teachers were reminded that participation in this study was strictly voluntary and all individual results was kept confidential. The teachers were assured anonymity by emphasizing they do not place their name on the survey, and no identification numbers were found on the survey. The teachers completed the survey and returned the survey to the researcher before leaving the faculty meeting.

### Data Analysis

Once all surveys were returned, statistical analyses were conducted to discern the perceptions of teachers and specific aspects of a merit pay system. To test each hypothesis, a multiple linear regression was conducted using the SPSS computer program using the .05 level of significance. The independent variables of this study were the participant's age, years experience in the education field, and attainment of degree. The six dependent variables were created by categorizing the questions from the survey. The first dependent variable, opposition of merit pay, was created by combining questions 1, 3, and 11 of the merit pay survey. The second dependent variable, requirements of a merit pay system, was created by combining questions 5, 13, 14, 15 and 16. The third dependent variable, the implementation of merit pay system could change the atmosphere of a school and the attitude of the staff was created by combining questions 7, 8, 9, and 10. The fourth dependent variable, inclusion of standardized student achievement test scores was created by using question 16. The fifth dependent variable, number of classroom observations conducted by the principal was created by combining questions 15, 17, 18 and 19. The sixth dependent variable, awarding financial incentives to

teachers based on locality and socioeconomic level of students was created by combining questions 4, 6, and 12. The seventh dependent variable was based on the culmination of all questions from the Merit Pay survey, with the exception of questions that required demographic information.

## CHAPTER IV

### RESULTS

#### Introduction

Once the Institutional Research Board of the University of Southern Mississippi approved the Merit Pay study, permission was granted from the school district's superintendent to disperse the survey in six schools. These schools encompass grades kindergarten through fifth grades. The researcher visited the five schools in this southern school district to distribute the Merit Pay survey and request teachers complete the survey. Out of 179 certified regular education and special education teachers in the school district, 168 teachers completed the survey. If teachers did not totally complete the survey, their results were discarded. Results of 155 surveys were utilized to complete multiple regression analyses.

The Merit Pay survey contained 24 questions. The first 19 questions asked the participants to rate their opinion of the statement, using a Likert scale. The Likert scale was a five-point scale, 1 representing strong disagreement, 2 representing disagreement, 3 representing undecided, 4 representing agreement, and 5 representing strong agreement. The last 5 questions requested demographic information that included age, experience, level of education of participant, and the grade and number of students the participant taught.

#### Demographic Information

The 155 participants represent a diverse population of teachers. Table 1 represents the frequencies and percentages for the grades the participants teach. The largest category in the table was listed as "other." This category included physical



education teachers, special education teachers, art teachers, music teachers, media specialists and special education teachers. The smallest category in the table was kindergarten. Two participants did not record on their survey what grade or subject they taught.

Out of 155 participants, 80.5% of them reported on the survey they teach a maximum of 30 students. Eight percent of the participants teach classes that contain 30-60 students, and 11% teach the majority, if not all, of the student body in their school. The minimum for class size was five students and the maximum was 530 students. The mean for class size was 68.41 and the standard deviation was 135.54. The standard deviation reflects the 11% of the participants that teach the majority, if not every, student in their school.

Table 1

*Frequencies and Percentages of Grades Participants Teach*

Grade	Frequency	Percentage
Kindergarten	12	7.2
First Grade	19	12.3
Second Grade	19	12.3
Third Grade	24	15.5
Fourth Grade	16	10.3
Fifth Grade	20	12.9
Other	44	28.4

Table 2 represents the first independent variable, the years experience the participants have in the education field. Forty-eight percent have zero to ten years

experience. Twenty-six percent have 11 to 20 years experience, and 22.1% have 21 or more year experience.

Table 2

*Years Experience of the Participants*

Years Experience	Frequencies	Percent
1-10	75	48.7
11-20	41	27.6
21-30	34	22.4
31-36	4	1.3

Table 3 represents the second independent variable, the level of education the participants have attained. Forty-eight percent of the participants have attained a bachelor's degree, 49.0% have attained a master's degree, and 2.6% have attained a specialist's degree.

Table 3

*Frequencies and Percentages of Level of Education of Participants*

Level of Education	Frequency	Percentage
Bachelor's Degree	75	48.4
Master's Degree	76	49.0
Specialist's Degree	4	2.6

Table 4 represents the third independent variable, the age of the participants. 21.7% of the participants are between the ages of 22 and 32. Thirty-four percent of the

participants are between the ages of 33 and 43. Twenty-seven of the participants are between the ages of 44 and 54. Seventeen percent of the participants are between the ages of 55 and 65.

Table 4

*Frequencies and Percentages of Age of Participants*

Age of Participants	Frequency	Percentage
22-32	33	21.7
33-43	47	34.0
44-54	39	27.4
55-65	31	17.1

**Construction of the Dependent Variables**

The researcher combined different questions to create the six dependent variables used in the analyses. The first dependent variable, opposition of merit pay, was created by combining questions 1, 3, and 11 of the merit pay survey. Because of the five point Likert scale that was utilized in this survey (1 indicating strong disagreement and 5 indicating strong agreement), the mean indicates the participants oppose a merit pay system, as indicated by Table 5.

The second dependent variable, requirements of a merit pay system, was created by combining questions 5, 13, 14, 15 and 16. Because of the five point Likert scale that was utilized in this survey (1 indicating strong disagreement and 5 indicating strong agreement), the mean indicates the participants did not favor the requirements suggested in the survey, such as working additional hours, gaining more experience in the

educational field, attaining additional college degrees and evaluations of administrators, as indicated by Table 5.

The third dependent variable, the implementation of merit pay system could change the atmosphere of a school and the attitude of the staff was created by combining questions 7, 8, 9, and 10. Because of the five point Likert scale that was utilized in this survey (1 indicating strong disagreement and 5 indicating strong agreement), the mean indicates the participants did not agree the implementation of a merit pay system could change the atmosphere of a school and the attitude of a staff, as indicated by Table 5.

The fourth dependent variable, inclusion of standardized student achievement test scores was created by using question 16. Because of the five point Likert scale that was utilized in this survey (1 indicating strong disagreement and 5 indicating strong agreement), the mean indicates the participants did not favor the inclusion of a standardized student achievement test scores in a merit pay portfolio, as indicated by Table 5.

The fifth dependent variable, number of classroom observations conducted by the principal was created by combining questions 15, 17, 18 and 19. Because of the five point Likert scale that was utilized in this survey (1 indicating strong disagreement and 5 indicating strong agreement), the mean indicates the participants did not agree that five or less than five evaluations by administrators are enough in which to base the award of merit pay, as indicated by Table 5.

The sixth dependent variable, awarding financial incentives to teachers based on locality and socioeconomic level of students was created by combining questions 4, 6, and 12. Because of the five point Likert scale that was utilized in this survey (1 indicating strong disagreement and 5 indicating strong agreement), the mean indicates the

participants slightly favored awarding financial incentives to teachers based on locality and socioeconomic level of students, as indicated by Table 5.

Table 5

*Means, Standard Deviations, Minima and Maxima for the Dependent Variables*

Dependent Variable	Means	Standard Deviations	Minimum	Maximum
Opposition to Merit Pay	3.17	.99	1.00	5.00
Requirements of a Merit Pay System	2.53	.71	1.00	4.80
Atmosphere and Attitude	2.69	.76	1.00	5.00
Inclusion of Standardized Test Scores	2.75	1.17	1.00	5.00
Number of Classroom Observations	2.95	.66	1.00	5.00
Financial Incentives	3.21	1.11	1.00	5.00
Overall Support of Implementation of a Merit Pay System	2.89	.55	1.61	4.72

The seventh dependent variable was based on the culmination of all questions from the Merit Pay survey, with the exception of questions 20-24, since those questions required demographic information. Because of the five point Likert scale that was utilized in this survey (1 indicating strong disagreement and 5 indicating strong agreement), the mean indicates the participants did not support the implementation of a merit pay system, as indicated in Table 5.

### Results of Survey

#### *Opposition to the Implementation of Merit Pay*

A multiple regression analysis was conducted to evaluate how well age, years experience and education level predicted the participants' opposition of merit pay. The

predictors were age, years experience and education level, while the criterion variable was the opposition to merit pay. The combination of age, years experience and education level was not significantly related to participants' opposition to merit pay,  $F(3, 147) = 1.94, p = .126 R^2 = .038$ . When examining each individual variable, significance was discovered, as indicated in Table 6. According to the analysis, participants that have attained master and specialist degrees support the implementation of a merit pay system in their school district more than participants with bachelor degrees do.

Table 6

*Results of Multiple Regression Analysis of Opposition to Merit Pay*

	Opposition	Education Level	Age	Years Experience
Opposition	1.00	--	--	--
Education Level	.186*	1.00	--	--
Age	-.004	.272*	1.00	--
Years Experience	.004	.261*	.733*	1.00

\* $p < .05$

*Requirements of A Merit Pay System*

The second multiple regression analysis was conducted to evaluate how well age, years experience and education level predicted the participants' opinion of the requirements of a merit pay system. The predictors were age, years experience and education level, while the criterion variable was the requirements of a merit pay system. The combination of age, years experience and education level was not significantly

related to participants' opinion of the requirements of a merit pay system,  $F(3, 147) = 2.52, p = .061$ . When examining individual variables, significance was discovered, as indicated in Table 7. Age and experience of the participants were negative predictors of the participants' opinion of the requirements of a merit pay system.

Table 7

*Results of Multiple Regression Analysis of Requirements of a Merit Pay System*

	Requirements	Education Level	Age	Years Experience
Requirements	1.00	--	--	--
Education Level	.007	1.00	--	--
Age	-.157*	.272	1.00	--
Years Experience	-.211*	.261	.733	1.00

\* $p < .05$

*Change of Atmosphere and Attitude of School Climate*

The third multiple regression analysis was conducted to evaluate how well age, years experience and education level predicted the participants' opinion of whether the implementation of a merit pay system could change the atmosphere of a school and the attitude of the staff. The predictors were age, years experience and education level, while the criterion variable was whether the implementation of a merit pay system could change the atmosphere of a school and attitude of the staff. The combination of age, years experience and education level was not significantly related to participants' opinion

of whether the implementation of merit pay system could change the atmosphere of a school and the attitude of the staff,  $F(3,147) = 2.51, p = .061$   $R^2 = .049$ . As noted in Table 8, when analyzing the individual variables, age and experience, they were negative predictors of whether the implementation of a merit pay system could change the atmosphere of a school and attitude of a staff. Upon examining each variable, it was discovered that the older and more experienced participants were of the opinion that the implementation of a merit pay system could negatively change the atmosphere and attitude of a school's staff.

Table 8

*Results of Multiple Regression Analysis of Whether Implementation of a Merit Pay System Could Change the Atmosphere of a School and the Attitude of a Staff*

	Atmosphere	Education Level	Age	Years Experience
Atmosphere	1.00	--	--	--
Education Level	.036	1.00	--	--
Age	-.168*	.272	1.00	--
Years Experience	-.196*	.261	.733	1.00

\* $p < .05$

*Inclusion of Standardized Test Results in a Merit Pay System*

The fourth multiple regression analysis was conducted to evaluate how well age, years experience and education level predicted the participants' opinion of the inclusion



of a standardized student achievement test scores in a merit pay portfolio. The predictors were age, years experience and education level, while the criterion variable was the participants' opinion of the inclusion of a standardized student achievement test scores in a merit pay portfolio. The combination of age, years experience and education level was not significantly related to participants' opinion of the requirements of a merit pay system,  $F(3, 147) = 1.35, p = .261 R^2 = .027$ . By analyzing the individual variables, significance was found, as indicated in Table 9. By examining the independent variable, years experience, it was discovered that this variable was a negative predictor of the inclusion of standardized student test scores in a merit pay portfolio. According to this analysis, participants that had more experience were opposed the inclusion of standardized student test scores in a merit pay portfolio.

Table 9

*Results of Multiple Regression Analysis of the Participants' Opinion of the Inclusion of Standardized Student Achievement Test Scores in a Merit Pay Portfolio*

	Standardized Test Scores	Education Level	Age	Years Experience
Standardized Test Scores	1.00	--	--	--
Education Level	-.002	1.00	--	--
Age	-.114	.272	1.00	--
Years Experience	-.159*	.261	.733	1.00

\* $p < .05$

*The Number of Classroom Observations Conducted by the Principal*

The fifth multiple regression analysis was conducted to evaluate how well age, years experience and education level predicted the participants' opinion of the number of observations conducted by the principal. The predictors were age, years experience and education level, while the criterion variable was the participants' opinion of the number of observations conducted by the principal. The combination of age, years experience and education level was not significantly related to participants' opinion of the number of observations conducted by the principal,  $F(3, 147) = .73, p = .538 R^2 = .015$ . As noted in Table 10, no significance was discovered when examining the individual independent variables.

Table 10

*Results of Multiple Regression Analysis of the Participants' Opinion of the Number of Observations Conducted by the Principal*

	Observations	Education Level	Age	Years Experience
Observations	1.00	--	--	--
Education Level	-.001	1.00	--	--
Age	-.116	.272	1.00	--
Years Experience	-.089	.261	.733	1.00

*Awarding Financial Incentives to Teachers Based on Locality and Socioeconomic Level of Students*

The sixth multiple regression analysis was conducted to evaluate how well age, years experience and education level predicted the participants' opinion of awarding financial incentives to teachers based on locality and socioeconomic level of students. The predictors were age, years experience and education level, while the criterion variable was the participants' opinion of awarding financial incentives to teachers based on locality and socioeconomic level of students. The combination of age, years experience and education level was not significantly related to participants' opinion of awarding financial incentives to teachers based on locality and socioeconomic level of students,  $F(3, 147) = 1.85, p = .140, R^2 = .036$ . As noted in Table 11, when analyzing individual independent variables, the participants' experience was significant. This variable was a negative predictor of awarding financial incentives to teachers based on locality and socioeconomic level of students.

Table 11

*Results of Multiple Regression Analysis of the Participants' Opinion of Awarding Financial Incentives to Teachers Based on Locality and Socioeconomic Level of Students*

	Financial Awards	Education Level	Age	Years Experience
Financial Awards	1.00	--	--	--
Education Level	-.026	1.00	--	--
Age	-.106	.272	1.00	--
Years Experience	-.185*	.261	.733	1.00

\* $p < .05$

*Overall Support of Implementation of a Merit Pay System in a southern school district*

The last multiple regression analysis was conducted to evaluate how well age, years experience and education level predicted the participants' overall support of implementation of a merit pay system in a southern school district. The predictors were age, years experience and education level, while the criterion variable was the participants' overall support of implementation of a merit pay system in a southern school district. The combination of age, years experience and education level was not significantly related to participants' overall support of implementation of a merit pay system in a southern school district,  $F(3, 147) = 3.03, p = .031 R^2 = .058$ .

When analyzing the individual variables, it was discovered that age and years

experience were a negative predictor of participants' overall support of implementation of a merit pay system in a southern school district. Older, more experienced teachers did not support a merit pay system in this district, as noted in Table 12.

Table 12

*Results of Multiple Regression Analysis of the Participants' Overall Support of Implementation of a Merit Pay System in the A southern school district*

	Overall Support	Education Level	Age	Years Experience
Overall Support	1.00	--	--	--
Education Level	.069	1.00	--	--
Age	-.164*	.272	1.00	--
Years Experience	-.201*	.261	.733	1.00

\* $p < .05$

## CHAPTER V

### DISCUSSION

#### Summary

Merit pay for teachers is not a new trend. The first merit pay system was implemented in Newton, Massachusetts in 1908 (English, 1992). Today, approximately 34% of the United States teaching population is receiving some form of merit pay (Summers & Crawford, 2006), an indication that some states are utilizing successful merit pay plans. Many plans, however, are discontinued within a short time because “any gains have been minimal, short-lived and expensive to achieve” (Troen & Boles, 2005 p. 1).

This study assessed whether teachers in a southern school district would be receptive to the implementation of a merit pay system. A sample of 155 participants in the a southern school district was the subject of this study. These participants completed the Merit Pay survey, a survey containing 19 statements pertaining to different aspects of the implementation of a merit pay system and five demographic questions. Through analysis of the data, it was determined that the participants of the study may not support the implementation of a merit pay system in the a southern school district.

#### Discussion

Six hypotheses were tested using the data gathered from the Merit Pay survey. The first hypothesis tested for a significant relationship between opposition of merit pay and the participants' education level, age and years experience. When combining the three independent variables, no significant relationship was found. When examining the independent variables individually, participants with a higher level of education may

support the implementation of a merit pay system.

A study conducted by the National School Board Association in 1983 contradicts the findings of this particular hypothesis. “Teachers who hold master’s degrees might resist innovations in compensation policy” (Ballow & Podgursk, 1993, p. 2). However, more recent studies have found that teachers have diverse opinions concerning merit pay. The study, *Stand by Me: What Teachers Really Think about Unions, Merit Pay and Other Professional Matters* (2003), found that “2 in 3 teachers favor paying more to those who consistently work harder, putting in more time and effort” (p. 24). Veteran teachers that participated in this study were split on their opinion of merit pay. Forty-five percent of the veteran teachers that participated in *Stand by Me* study favored awarding teachers for student academic gains; 49% opposed the idea of awarding teachers for student academic gains (*Stand by Me*, 2003).

Findings from the study, *Teaching At Risk: A Call to Action*, found that the general public and teachers support the idea of a merit pay system; two-thirds of the general public and one-third of the teachers surveyed “support providing bigger pay increases to teachers with the best record of improving student academic achievement as measured by test scores and other indicators” ([www.theteachingcommission.org](http://www.theteachingcommission.org), 2005, p.1).

Teacher unions are opposed to merit pay. The American Federation of Teachers, AFT, “has long believed that professional pay is an integral part of an educational system that promotes teacher quality” (“Professional Compensation for Teachers,” 2006, p.1) provided professional pay is not based on an individual merit pay system. Instead, AFT supports merit pay for National Board certified teachers, teachers that are willing to take on additional responsibilities in their school, or school wide performance based awards.

The second hypothesis tested for a significant relationship between the participants' opinion of the requirements of a merit pay system and the participants' education level, age and years experience. While no significant relationship existed when combining the independent variables, the analysis indicated that teachers who were older and had more experience did not support the requirements of a merit pay plan. The requirements listed in the survey included working additional hours outside the classroom, years experience of a teacher, attainment of advanced degrees and the inclusion of student standardized test scores in a merit pay portfolio.

Attaining additional degrees may not necessarily guarantee improved student achievement. Eric Hanushek of Stanford University reviewed over 171 studies on the effect of teacher credentials on student achievement. He found that "there is no evidence teachers with better credentials produce better student achievement" (Greene, 2005, p.1).

Working additional hours in order to receive merit pay may not be a desirable requirement in a merit pay portfolio. As one participant of this study noted on her survey, "I already work until 5 or 6:00 everyday. How many more additional hours would I have to work to receive additional pay?"

The third hypothesis tested for a significant relationship between the atmosphere of a school and attitude of a staff and the participants' education level, age and years experience. While the results of this analysis did not discover a significant relationship, the result of the mean, 2.69, indicates the participants may not agree that a merit pay system would change the atmosphere of the school or the attitude of staff, a contradiction to studies conducted on the implementation of a merit pay system. According to the Education Commission of the States (2001), opponents of merit pay plans believe that "performance pay will create competition between teachers and undermine the



collaborative nature of the profession” (p.1). The Urban Institute Study of Merit Pay found that when they examined eighteen school districts that utilized a merit pay system, most merit pay systems were revoked, partly due to lower teacher morale (*Urban Study Institute Study of Merit Pay Systems, 2005*).

The fourth hypothesis tested for a significant relationship between the inclusion of standardized student achievement test scores in a merit pay portfolio and the participants’ education level, age and years experience. While the combination of independent variables did not indicate a significant relationship, years experience did reveal a negative predictor of this analysis. Teachers that have more teaching experience did not support the inclusion of test scores in a merit pay portfolio.

The idea of incorporating standardized student test scores in a merit pay portfolio is a sensitive subject to most teachers. Several studies have shown that teachers, almost overwhelmingly, do not support the use of standardized test scores as an evaluation tool for merit pay. The study, *Stand by Me: What Teachers Really Think about Unions, Merit Pay and Other Professional Matters*, found that 62% of the 1,345 participants included in this study did not support the use of standardized test scores as an evaluation tool (*Stand by Me, 2003*). More specifically in this study, veteran teachers, teachers with more than 20 years experience, did not support the use of standardized tests as an evaluation tool. Fifty-two percent of the 484 veteran teachers felt standardized testing “is a seriously flawed measure of true student achievement” (*Stand by Me, 2003, p. 51*). According to Ballow and Podgursk (1993), “using student achievement to assess teacher performance is often resisted on the grounds that achievement is influenced by many factors beyond instructor’s control” (p.1) such as lack of parental support, a child falling ill the night before the standardized test, or the child’s inability to satisfactorily complete the test. The

National Commission on Teaching and America's Future found that the "home environment is responsible for 49% of the factors influencing student achievement. Teachers do not want to be financially punished for having students who don't succeed" (Guinta, 1999, p.H-01).

The fifth hypothesis tested the relationship between the number of observations conducted by the principal and the participants' education level, age and years experience. No relationship was discovered between the number of observations that a principal should conduct and the three independent variables.

Including administrative observations, or evaluations, in a teacher's merit pay portfolio may not be well received by teachers. "The most commonly cited reason for opposition to ... merit pay is concern that evaluations will not be fair; 63% of teachers polled agreed that administrators can't evaluate teachers fairly" (Elam, 1989, p.791).

Evaluations of teachers must be perceived as fair in order to include them in a teacher's merit pay portfolio. Principals must be trained to evaluate teachers. Teachers and principals should work together to create an assessment tool that will fairly evaluate a teacher's performance in the classroom. This assessment tool should reflect professional teaching standards and student learning objectives for the particular school district. It should also measure "what teachers can be legitimately can be held accountable for" (Education Commission of the States, 2001, p. 3). The assessment tool should also be used in conjunction with a follow-up conference with the teacher in order to provide feedback to the teacher.

The sixth hypothesis tested the relationship between the participants' opinion of awarding financial incentives to teachers based on locality and socioeconomic level of students and the participants' education level, age and years experience. While the

combination of the three independent variables did not discover a significant relationship, years experience, when examined individually, was a negative predictor of this analysis. Teachers with teaching experience did not favor the idea of awarding teachers merit pay just because they work in a certain locality or with a certain socioeconomic set of students.

The results of this analysis contradict the study, *Stand by Me: What Teachers Really Think about Unions, Merit Pay and Other Professional Matters*. The study, taking place in 2003, revealed that seven in 10 teachers support the idea of additional salary in exchange for working in less than ideal teaching conditions. According to the study *Stand by Me*, "Teachers know that some schools, classes and students are a challenge and require greater sacrifice. Most teachers are willing to acknowledge-in the form of money-those teachers who volunteer to take on the tougher jobs" (*Stand by Me*, 2003, p.25). Veteran teachers that participated in this study agree. Sixty-seven percent of the 484 veteran teachers support the idea of merit pay for teachers that are willing to work in tough, low performing neighborhoods (*Stand by Me*, 2003).

The seventh hypothesis tested the relationship between the participants' overall support of implementation of a merit pay system in the a southern school district and the participants' education level, age and years experience. This hypothesis differs from the first hypothesis because it is the culmination of all questions on the Merit Pay Survey, with the exception of questions 20-24. Questions 20-24 request demographic information. No significant relationship was discovered between overall support of a merit pay plan and the three independent variables. As in previous analyses, teachers with more experience did not support a merit pay plan. Further, the mean of this analysis was a 2.8, indicating low support from all participants of this survey.

Governor Haley Barbour recently brought the implementation of a merit pay system in Mississippi to Mississippians' attention. In 2004, Governor Barbour included the implementation of a merit pay system in his "UpGrade" Education Reform Act of 2005 (Pender, 2004). While teachers were not outright opposed to the idea, 200 teachers attending a meeting with Governor Barbour expressed concerns that teachers in Mississippi would not be treated fairly or consistently if they participated in a merit pay system. Even though Mississippi awards National Board Certified teachers with one of the highest pay raises in the nation, \$6000, Governor Barbour does not consider that merit pay. Instead, he would like to implement a merit pay system that "rewards teachers for their innovation and achievement" (Kinnison & Ladd, 2004, p.1) in the classroom. While Barbour has support from former Superintendent of Education Henry Johnson, others are concerned that with "Mississippi teacher pay historically so low, merit pay would leave the overall pool of funds even smaller" (Kinnison & Ladd, 2004, p.1).

While the issue of merit pay may never be resolved, it is apparent that an increase in teachers' salary must be considered since 15 to 20 % of new teachers leave within the first year of teaching (Cornett & Gaines, 2002). Salary is the leading issue, since beginning teachers earn "almost \$8,000 less than other college-educated professionals" (Tomaka, 2000, p.3). According to the Teaching Commission, "a strong majority of the general public, 70%, favor raising teacher salaries across the board" (*Teaching At Risk*, 2004, p.1).

While raising teacher salaries may reduce the number of teachers that leave the profession, there are other factors to consider. Support from administrators, a teacher's desire to teach, suitable working conditions and current job satisfaction have an impact on teachers remaining in the field. To retain teachers, school districts should be aware of

these factors and strive toward making the professional climate in their school district as attractive as possible.

### Limitations

The following conditions may limit the validity of the study:

1. Some teachers were not familiar with the concept of merit pay and may not have answered questions accurately.
2. An additional demographic question should have been included to ask if the participant was National Board certified. An analysis of this specific category may have yielded different results, since National Board certified teachers earn additional pay in Mississippi.
3. Instead of asking a broad question concerning administrative observations, a question on the survey should have asked the participants the number of observations conducted by an administrator needed to document teaching abilities that may contribute to the award of merit pay.
4. The study should have been extended to include all grades in the district. Additional participants may have altered the results of the study.
5. The researcher should have contacted the current superintendent to ascertain his stance on the implementation of a merit pay system.
6. The survey was conducted in a southern school district that pays the second highest salaries to teachers in this state. Results of the survey may differ depending on the salary rank of the school district.

### Recommendations for Policy and Practice

Merit pay has been in existence for almost 100 years in this country. Despite many failed merit pay systems, there are currently many successful systems implemented

in the United States. While the research of merit pay is extensive, several common themes can be found in the research and should be carefully considered before implementing a merit pay system.

### *Teacher Participation*

Teacher participation is one of the most critical factors in the success of a merit pay system. Teachers should play an integral part in the construction of a merit pay system. Ballow and Podgursk (1993) believe that “teachers must be involved in all stages of a merit pay program design as well as implementation if pay for performance is to succeed” (p.50). Including teachers in the creation of a merit pay system may encourage more teachers to participate, since teachers can offer “important insights of how different elements are likely to work in practice and about what their colleagues believe is fair and appropriate, as well as expertise in specific areas of the design process” (Odden, Kelley, Heneman, & Milanowski, 2001, p. 8).

Before implementing a merit pay system, school districts should pay careful attention to teachers’ reception of a merit pay system. School districts should discuss the implementation of a merit pay system with teachers in order to gauge their support of a merit pay system, since the success of a merit pay system will rely on teacher participation. If a school district decides to implement a merit pay system, including teachers in the construction of the merit pay system is important, because it lends authenticity to the system. Teachers may participate more in a merit pay system if they know their colleagues assisted in the creation of the system.

### *Financial Aspects*

Many merit pay plans are often discontinued due to budget constraints. While initially supporting merit pay systems, many legislatures will vote for elimination of

merit pay systems once they become expensive. For instance, in 1984, the state of Texas passed a merit pay law to award teachers for improving their students' academic success. The law was quickly killed when the legislature underestimated how many teachers would qualify for the award and realized the high price tag of the merit pay system (Shanker, 1995).

Financial aspects of the school district must be thoroughly examined before implementing a merit pay system. The preparation for a merit pay system, training and research can be costly. School districts must review their budgets to ensure that a merit pay system can be successfully implemented.

Community support for a merit pay system must be garnered, since it may be necessary for a school district to request a tax increase in order to fund a merit pay system. When discussing the possibility of implementing a merit pay system, school districts would be wise to include local citizens in discussions.

*National Board for Professional Teaching Standards Certification as a Merit Pay System*

Awarding teachers for National Board certification may be used as a merit pay system. Many states pay National Board certified teachers an additional stipend. For example, Rhode Island offers an additional \$6,500 to a teacher's salary if he/she becomes National Board certified (Odden et. al, 2001). Mississippi pays a supplement of \$6,000 a year over a period of ten years to all successful National Board candidates (National Board for Professional Teaching Standards, 2006).

More than 150 studies have been conducted on the achievement of students who are taught by National Board certified teachers. According to National Board for Professional Teaching Standards, "more than 75% of the NB teachers make a significantly measurable impact on teacher performance, student learning engagement

and achievement. While some of the results are mixed, most are positive about National Board certification accomplishments and its potential for improving education nationwide” (National Board for Professional Teaching Standards, 2006, p.1).

National Board for Professional Teaching Standards may be an acceptable form of merit pay in school districts because of the fairness and consistency of the process. Teachers who undergo the certification process complete a portfolio of accomplishments and accompanying videos and send their documentation to the National Board for Professional Teaching Standards Processing Center in Texas to be evaluated by teams of professional scorers that base their rating on the documentation the teacher has completed. The scoring process of teacher portfolios ensures that scores is based on the documentation of accomplishments in her/his classroom the teacher has provided; National Board for Professional Teaching Standards does not require administrative evaluations or standardized test results as part of the portfolio.

School districts that opt to use National Board Certification as a merit pay system should investigate how other states assist teachers in this process. School districts can support teachers going through the challenging process by offering them professional days to work on the documentation portfolio. Some school districts offer to pay the fee for enrolling in the National Board Certification process. Other school districts work with local banks to give teachers interest-free loans for the enrollment fee. When teachers achieve National Board certification, school districts should recognize the teacher’s achievement at school board meetings or in the local newspaper.

#### *School-Based Performance Award Programs*

School districts that are interested in implementing a merit pay system may consider awarding schools a financial bonus instead of awarding individual teachers a



financial bonus. School-based performance award programs differ from merit pay because many award programs are based on a single objective, student achievement as measured by standardized tests. School-based performance award programs encourage collaboration and teamwork, where as merit pay systems do not encourage teachers to work together to achieve a goal. School-based performance award programs may be more successful to implement, since “student achievement is rarely due to a single teacher, but depends on all current and past teachers” (Solmon & Podgursky, 2000, p.2).

School districts that are considering a merit pay system may look toward school-based performance awards as a more acceptable form of merit pay. These school wide awards encourage collegiality and collaboration among teachers. School-based performance awards also remove the notion that their administrator may treat some teachers differently because they are attempting to earn merit pay. The staff should work together to set a goal for their student body. Once the staff decides on a goal, the school board should approve the goal. Professional development for teachers should be geared toward improving teaching methodology in order to attain the goal. Principal evaluations and peer observations should be used to improve teaching performance in conjunction with the goal.

### *The Single Salary Schedule*

While the single salary schedule has been in use for over 80 years, it may not be the most accurate tool to calculate a teacher’s salary. “The outmoded salary structure fails to reward teachers and give them responsibility for what really matters, student achievement” (*Teaching At Risk*, 2004, p.23). The Douglas County School District in Colorado has revised their teacher salary to incorporate other aspects of teaching to the single salary schedule. Even though additional degrees and years experience are an

important piece of the Douglas County Pay Plan, "...teacher evaluations, an outstanding teacher award, knowledge and skill-based pay, group-based pay and responsibility pay" (Wilson & Van Keuren, 2001, p.6) were incorporated into their salary schedule to address the concerns the public had over sagging student achievement. By adding specific requirements to the single salary schedule, the school district was also able to manage their personnel budget accurately.

Cincinnati, Ohio Public Schools no longer use a single salary schedule. Instead, teacher pay is based on "five teacher career levels by the acquisition and application of knowledge and skills embodied in a set of 16 teaching standards" (Odden et. al, 2001, p. 6). As teachers progress from level to level, their success is rewarded through an increase in salary.

While abandoning the single salary schedule may not be feasible for school districts, adding incentives to it may be an option for school districts to consider. The single salary schedule has its advantages. It takes into account additional degrees a teacher may attain, and it is essential to managing a school district's personnel budget efficiently. However, it does not take into account additional certifications a teacher may earn, nor does it encourage teachers to participate in additional professional development or persuade teachers to volunteer in schools that may be a more challenging place to teach. School districts could tailor the single salary schedule to encourage teachers to become mentors to new teachers, take on additional responsibility in professional development for their school, or to teach in low-income areas or at-risk students.

Over the next ten years, approximately two million teachers must be hired to replace retiring teachers and to fill positions in school districts whose student population is increasing ("Professional Compensation for Teachers," 2002). The use of a merit pay

system may attract more teachers to a school district. However, school districts must research current successful merit pay systems and carefully consider financial constraints before implementing a merit pay system in their district. Once a school district commits to the implementation of a merit pay system, it must ensure teachers and administrators will receive the training they need to understand and participate in the merit pay system. Further, school districts must gather data on their merit pay system in order to improve the system and must offer teachers high-quality professional development to improve their teaching methodology. School districts should also research quality student assessments, if the school district wants to include student achievement gains in a teacher's merit pay portfolio.

#### Recommendations for Implementation of Merit Pay Systems

By utilizing a merit pay system, school districts may achieve the expectations they have set for student achievement. There are several recommendations school districts should consider before implementing a merit pay system. School districts must have teacher buy-in in order for a merit pay system to be successful. Therefore, researching merit pay systems that are currently used in the United States is essential. School districts should review these systems and model their system after one that has shown success. School districts should also review past failed merit pay systems and be aware of the reasons why particular systems failed.

If a school district is considering implementing a merit pay system, the school district should discuss the idea with the stakeholders of the community, including parents, teachers and taxpayers. It is important to gather input on the perception of a merit pay system before deciding to implement one. The school district should provide research to

the stakeholders to inform them of the benefits of a merit pay system and the projected cost of this system.

Once a school district decides to implement a merit pay system, it should create a committee that will develop the system. This committee should include teachers, building principals, central office personnel, and community stakeholders. The committee should research successful and failed merit pay systems and create a system based on a variety of successful current merit pay systems.

While this committee is creating the merit pay system, another committee should be created to establish the student achievement goals the school district would like to attain by using a merit pay system. This committee should also include teachers, building principals, central office personnel, and stakeholders. The committee needs to create specific goals for increased student achievement based on existing data of student achievement in the school district. The committee must establish how to measure student achievement. While many past –and often unsuccessful- merit pay systems based their success solely on student standardized test scores, more recent merit pay systems have based their success on different items, such as student standardized test scores, documentation of parental involvement, lesson plans teachers write, samples of assignments students complete, and results of teacher practices. Once the goals have been established and the guidelines for measuring the goals have been created, the goals should be integrated into the merit pay system.

After the goals have been integrated into the merit pay system, financial costs should be the next major consideration. It is vital to include financial aspects in the merit pay system, since many merit pay systems are shelved due to financial constraints. The

stakeholders of the district should be aware of the cost of the proposed merit pay system, including training costs of teachers, building principals and central office personnel.

Once the goals have been established, the merit pay system has been created, and the financial aspect has been considered, the school district should present the plan to the school board and to the faculty of the school district. The school board should raise any concerns they may have before the system is implemented. Teachers should review the plan and address any concerns they may have; as stated earlier, without teacher buy-in, the merit pay system will fail. Once the concerns are addressed and any revisions are made, professional development and training should take place.

Professional development and training are two important pieces of a merit pay system. Professional development should be used to inform teachers and building principals the requirements of the merit pay system. All participants need to be aware of the additional time and effort it will take in order to achieve a financial award. Participants should be informed of the requirements of the merit pay system, including the documentation they must include in their merit pay portfolio. Building principals should receive training on how to evaluate teachers effectively and objectively. Many teachers are apprehensive of participating in a merit pay system due to their concerns of unfair evaluations. A school district can relieve that concern by providing adequate training for principals.

Implementation of the merit pay system should take place once all training and professional development has been provided and all stakeholders approve the merit pay system. A final review of the financial aspects should take place before the merit pay system is put into action, to ensure the stakeholders there are sufficient funds to support the system. Throughout the implementation of the merit pay system, the school district

should encourage feedback from the participants in order to revise the system. The school district should also closely monitor student achievement, to ensure the merit pay system is effectively attaining the goals set for their students.

#### Considerations for Future Research

While this study gave a small glimpse of teachers' support of the implementation of a merit pay system in the a southern school district, other areas were not considered in this study.

1. A question concerning National Boards as merit pay should be included on the survey.
2. Teachers need to be educated on different aspects of a merit pay system, including the specific documentation that would be required in order for a teacher to apply for a financial award.
3. The questionnaire should reflect the type of merit pay system this district may implement.
4. Teachers should complete the survey at their leisure. While it was convenient for the researcher and the principal to complete this survey during a faculty meeting, many teachers did not seem to carefully consider their answers, because they knew they had a full agenda for their faculty meeting.
5. Include districts that are not as affluent as this southern school district. This southern school district is ranked as second highest in teacher salaries.
6. Include districts that have not met accreditation levels according to the Mississippi Department of Education. All schools included in this survey were accredited with a score of three or higher.
7. Explore states that directly link funding with student achievement.

## APPENDIX A

### Permission to Survey Faculty of School District

March 20, 2006

Dear Mrs. Payne:

This letter gives you permission to utilize the survey "Merit Pay" with our staff this school year. I understand that you will inform every staff member of the benefits, risks, inconveniences or discomforts that might be expected when completing this survey. I am aware that participation in this project in this project is completely voluntary, and subjects may withdraw at any time without penalty. I am aware that all personal information is strictly confidential and no names will be disclosed. I also understand that the information you gather will be used to complete your dissertation, measuring teachers' perception toward merit pay.

Sincerely,

## APPENDIX B

### Merit Pay Survey

Merit Pay Survey Conducted by Carol Payne

**In the blank next to the number of the statement, list the number that indicates your feeling concerning the statement.**

5-strongly agree	4-agree	3-undecided	2-disagree	1-strongly disagree
------------------	---------	-------------	------------	---------------------

- \_\_\_\_ 1. My school district should not put a merit pay system in place.
- \_\_\_\_ 2. Merit pay would attract and retain more teachers in my school district.
- \_\_\_\_ 3. I would participate in a merit pay system if it was implemented in my school district.
- \_\_\_\_ 4. Teachers who volunteer to teach hard-to-reach or at-risk students should receive merit pay.
- \_\_\_\_ 5. In order to earn merit pay, a teacher should expect to work additional hours outside the classroom to prepare a merit pay portfolio.
- \_\_\_\_ 6. Teachers who work in a low socio-economic school or area should receive merit pay.
- \_\_\_\_ 7. A merit pay system would improve the morale in my school.
- \_\_\_\_ 8. If some form of merit pay was implemented, cooperation among teachers would change into competition.
- \_\_\_\_ 9. If some form of merit pay was implemented, teachers would become more motivated to increase student achievement.
- \_\_\_\_ 10. If some form of merit pay was implemented, administrators would play favorites and reward teachers who are "pets" or don't "rock the boat" in the school.
- \_\_\_\_ 11. Teachers that exceed a school district's expectations in the classroom, as documented by administrative evaluations, should receive merit pay.
- \_\_\_\_ 12. Teachers who volunteer to teach in a low-performing school should receive merit pay.
- \_\_\_\_ 13. A teacher's number of years experience is an adequate measure to qualify for merit pay.
- \_\_\_\_ 14. A teacher's advanced degree is an adequate measure to qualify for merit pay.
- \_\_\_\_ 15. Evaluation by administrators is an adequate measure to qualify for merit pay.



\_\_\_\_ 16. Merit pay should be based on the results of an administrator's decision after reviewing a cumulative portfolio that includes achievements and successes of the teacher throughout the year. The portfolio should exclude student test scores.

**OVER PLEASE**

\_\_\_\_ 17. My administrator does not evaluate teachers a sufficient number of times to make an accurate decision on whether or not a teacher should receive merit pay.

\_\_\_\_ 18. Five or more evaluations throughout the school year would be a sufficient number of times to base a decision on whether or not a teacher should receive merit pay.

\_\_\_\_ 19. Five or less evaluations throughout the school year would be a sufficient number of times to base a decision on whether or not a teacher should receive merit pay.

**Please check the item that most appropriately describes you.**

20. What is your highest level of education?

\_\_\_\_ Bachelor's degree

\_\_\_\_ Master's degree

\_\_\_\_ Specialist's Degree

\_\_\_\_ Doctorate Degree

**Please place a numerical answer in the blank.**

21. What is your age?

\_\_\_\_\_

22. What grade do you teach?

\_\_\_\_\_

23. How many years experience in the educational field do you have?

\_\_\_\_\_

24. How many students are in your class?

\_\_\_\_\_

25. Would you participate in a merit pay plan even if you are satisfied with your salary?

\_\_\_\_\_

## APPENDIX C

### Permission from Institutional Review Board

#### University of Southern Mississippi



The University of  
Southern Mississippi

Institutional Review Board

118 College Drive #5147  
Hattiesburg, MS 39406-0001  
Tel: 601.266.6820  
Fax: 601.266.5509  
www.usm.edu/irb

#### HUMAN SUBJECTS PROTECTION REVIEW COMMITTEE NOTICE OF COMMITTEE ACTION

The project has been reviewed by The University of Southern Mississippi Human Subjects Protection Review Committee in accordance with Federal Drug Administration regulations (21 CFR 26, 111), Department of Health and Human Services (45 CFR Part 46), and university guidelines to ensure adherence to the following criteria:

- The risks to subjects are minimized.
  - The risks to subjects are reasonable in relation to the anticipated benefits.
  - The selection of subjects is equitable.
  - Informed consent is adequate and appropriately documented.
  - Where appropriate, the research plan makes adequate provisions for monitoring the data collected to ensure the safety of the subjects.
  - Where appropriate, there are adequate provisions to protect the privacy of subjects and to maintain the confidentiality of all data.
  - Appropriate additional safeguards have been included to protect vulnerable subjects.
  - Any unanticipated, serious, or continuing problems encountered regarding risks to subjects must be reported immediately, but not later than 10 days following the event. This should be reported to the IRB Office via the "Adverse Effect Report Form".
  - If approved, the maximum period of approval is limited to twelve months.
- Projects that exceed this period must submit an application for renewal or continuation.

PROTOCOL NUMBER: R25032101

PROJECT TITLE: An Examination of Perception Toward Merit Pay in a Southern School District

PROPOSED PROJECT DATES: 01/04/05 to 08/01/06

PROJECT TYPE: Renewal of a Previously Approved Project

PRINCIPAL INVESTIGATORS: Carol Payne


COLLEGE/DIVISION: College of Education & Psychology

DEPARTMENT: Educational Leadership & Research

FUNDING AGENCY: N/A

HSPRC COMMITTEE ACTION: Expedited Review Approval

PERIOD OF APPROVAL: 05/08/06 to 05/07/07

  
Lawrence A. Hosman, Ph.D.  
HSPRC Chair

5-11-06  
Date

## REFERENCES

- Allen, M. (2005). Eight questions on teacher recruitment. Retrieved October 1, 2006 from [www.ecs.org](http://www.ecs.org).
- Bacharach, S., & Bamberger, P. (1990). Exit and voice: Turnover and militancy intentions in elementary and secondary schools. *Educational Administration Quarterly*, 26, 316-344.
- Ballow, D., & Podgursk M. (1993). Teachers' attitude toward merit pay: Examining conventional wisdom. *Industrial and Labor Relations Review* 47(1), p.50-62.
- Buckley, J., Schneider, M., & Shang, Y. (2004) The effects of school facility on teacher retention in urban school districts. Retrieved March 13, 2006 from [www.edfacilities.org](http://www.edfacilities.org).
- Burley, H. (2002). A measure of knowledge: Standardized assessments can tell us what Students know but the tests have their limits. *American School Board Journal*, 189(2). Retrieved February 12, 2005 from [www.asbj.com](http://www.asbj.com).
- Cizek, G. (1998). Putting standardized tests to the test. Thomas B. Fordham Foundation.
- Clowes, G. (2005). National certification doesn't reward best teachers, studies show. Retrieved January 28, 2006 from [www.heartland.org](http://www.heartland.org).
- Cornett, L., & Gaines, G. (2002). Quality teaching: Can incentives policies make a difference? Eugene, OR: ERIC Clearinghouse on Educational Management. (ERIC document Reproduction Service NO. ED464085)
- Dee, T., & Keys, B. (2005). Dollars and sense: What a Tennessee experiment tells us About merit pay. *Education Next*, pp. 61-67.

- Education Commission of the States. (2001). Pay-for-performance: Key questions and lessons from five current models. Retrieved February 18, 2006 from [www.ecs.org](http://www.ecs.org).
- Elam, S. (1989). The Second Gallup/Phi Delta Kappa poll of teachers' attitude toward the public schools. *Phi Delta Kappan*, 70(10), p785-798.
- Ellis, T. (1984a). Merit pay for teachers. Eugene, OR: ERIC Clearinghouse on Educational Management. (ERIC document Reproduction Service NO. ED259453)
- Ellis, T. (1984b). Motivating teachers for excellence. Eugene, OR: ERIC Clearinghouse on Educational Management. (ERIC document Reproduction Service NO. ED 259449)
- English, F. (1992). History and critical issues of educational compensation systems. (Larry Frase, Ed). Lancaster, PA: Technomic Publishing Co.
- Fact sheet on the major provisions of the conference report to H.R. 1, the No Child Left Behind Act. (n.d.). Retrieved February 20, 2006 from [www.ed.gov](http://www.ed.gov).
- Gaines, G. (2004). Focus on teacher pay and incentives. Retrieved March 1, 2006 from [www.sreb.org](http://www.sreb.org).
- Geary, L. (2002, October 21). Does your salary stack up? Retrieved February 12, 2006 from [www.cnnmoney.com](http://www.cnnmoney.com).
- Gelinas, N. (2005, June 20). Time for merit pay for teachers. *The New York Sun* pp.9.
- Goorian, B. (2000). Alternative teacher compensation. Eugene, OR: ERIC Clearinghouse on Educational Management. (ERIC document Reproduction Service NO. ED446368)

- Greene, J. (2005). Wasting the windfall. Retrieved April 10, 2005 from [www.manhattan-institute.org](http://www.manhattan-institute.org).
- Guinta, A. (1999, June 27). Pay for performance plan ignores kids' outside influences. *The Denver Post*, H-01.
- Gursky, D. (1992). Virginia district suspends heralded merit-pay system. Retrieved February 18, 2006 from [www.edweek.org](http://www.edweek.org)
- Hatry, H., Greiner, J., & Ashford, B. (1994). Issues and case studies in teacher incentive plans. (2<sup>nd</sup> ed.) Washington, D.C.: Urban Institute Press.
- Hinerman, M. (2002). Merit pay: Should a teacher's pay be based upon student performance? (Doctoral dissertation, University of Maine at Machias, 2002). Retrieved June 30, 2004 from [www.umm.maine.edu:300/education/students/secsemF2002/mhinerman.htm](http://www.umm.maine.edu:300/education/students/secsemF2002/mhinerman.htm).
- Hoerr, T. (1998). A case for merit pay. *Phi Delta Kappan* 80(4), 326-327.
- Incentives for teaching quality and effectiveness in Douglas County, Colorado. (2002). Retrieved February 15, 2006 from [www.ers.org/ssp/sspwind02a.html](http://www.ers.org/ssp/sspwind02a.html).
- Keller, B. (2004). Tight budgets prompt more talk than action on teacher-pay plans. Retrieved February 5, 2005 from [www.edweek.org/agentk-12/articles/2004/12/01/14pay.h24.html](http://www.edweek.org/agentk-12/articles/2004/12/01/14pay.h24.html).
- Kelley, C. (2000a, May). Douglas County Colorado performance pay plan. University Of Wisconsin-Madison: Consortium for Policy Research in Education.
- Kelley, C. (2000b). Making merit pay work. Retrieved January 15, 2005 from <http://www.asbj.com/schoolspending/Kelley.html>.

- Kelley, C., & Odden, A. (1995). History of teacher pay changes. Retrieved July 7, 2004 from <http://www.ed.gov/pubs/CPRE/fb6/fb6b.html>.
- Kinnison, J., & Ladd, D. (2004, August 12). 'Merit' in Mississippi. Retrieved February 5, 2004 from [www.jackson.freepress.com/comments.php?id=3744](http://www.jackson.freepress.com/comments.php?id=3744).
- LaFee, S. (2000). Linking teacher pay to student scores. Retrieved January 9, 2005 from [www.aasa.org/publications/sa/2000/10/LaFee.htm](http://www.aasa.org/publications/sa/2000/10/LaFee.htm).
- Lieberman, M. (2000, July 17). Merit pay can't provide the incentives for improvement. Retrieved April 10, 2005 from [www.educationpolicy.org](http://www.educationpolicy.org).
- Malanga, S. (2001). Why merit pay will improve teaching. Retrieved June 30, 2004 from [http://www.city-journal.org/html/11\\_3\\_why\\_merit\\_pay.html](http://www.city-journal.org/html/11_3_why_merit_pay.html).
- McClelland, D. (2005). Employment motivation, the organizational environment and productivity. Retrieved July 18, 2004 from [http://accelteam.com/human\\_relations/hrels\\_05\\_herzberg.html](http://accelteam.com/human_relations/hrels_05_herzberg.html).
- Merit pay. (2006). Merit pay. Retrieved January 28, 2006 from [www.dol.gov](http://www.dol.gov).
- Merit pay, 'pay-for-performance' and professional teacher compensation. (2001, April). AFT on the Issues. Retrieved June 30, 2004 from <http://www.aft.org/issues/meritpay/meritpay/html>.
- Mitchell, D., & Peters, M. (1988). A stronger profession through appropriate teacher incentives. *Educational Leadership*, 45(3), 74-79.
- Morice, L., & Murray J. (2003). Fifty years of experience in one district show that an incentive pay program designed by teachers and administrators can work. *Educational Leadership*, 60(8), 40-44.

Murnane, R.J., & Olsen, R.J. (1990). The effect of salaries and opportunity costs on length of stay in teaching: Evidence from North Carolina." *The Journal of Human Resources*, 25 (1), 106-124.

National Board for Professional Teaching Standards. (n.d). Retrieved September 24, 2006, from [www.nbpts.org](http://www.nbpts.org).

New strategies to curb teacher flight from the classroom gaining momentum nationwide. (n.d.).Retrieved February 28, 2006 from [www.rnt.org](http://www.rnt.org).

Odden, A., Kelley, C., Heneman, A., & Milanowski, A. (2001, November). Enhancing teacher quality through knowledge- and skill-based pay. Eugene, OR: ERIC Clearinghouse on Educational Management. (ERIC document Reproduction Service NO. ED480400)

Paying teachers more. (2000, August 24). *Economist*, 356, 1. Retrieved February 5, 2005 from [www.edpnet.com lynx.lib.usm.edu](http://www.edpnet.com lynx.lib.usm.edu).

Pender, G. (2004, December 3). Education revolution. *The Sun Herald*, pp. A1, A4.

Peterson, B. (2000). Merit: To pay or not to pay. Retrieved January 28, 2005 from [www.rethinkingschools.org](http://www.rethinkingschools.org).

Popham, J. (2002). Right task, wrong tool: Today's standards are not the best way to evaluate students or schools. Retrieved January 28, 2006 from [www.ascd.org](http://www.ascd.org).

Professional Compensation for teachers. (2002). Retrieved February 15, 2006 from [www.aft.org](http://www.aft.org).

Protsik, J. (1995). History of Teacher Pay and Incentive Reforms. Eugene, OR: ERIC Clearinghouse on Educational Management. (ERIC document Reproduction Service NO. ED380894)

- Ranking and estimates: Ranking of the states 2003 and estimates of school statistics  
2004. (2004). Retrieved February 12, 2006 from [www.nea.org/edstats/](http://www.nea.org/edstats/).
- Sanders, W., & Rivers, J. (1996). Cumulative and residual effects of teachers on  
future student academic achievement. Retrieved March 25, 2006 from  
[www.mccsc.edu](http://www.mccsc.edu).
- Seebach, L. (2005). Studies undercut value of teacher certification course. *Rocky  
Mountain News*, pp.13C.
- Shanker, A. (1995). Where we stand: Beyond merit pay. Retrieved September 24, 2006  
from [www.aft.org/stand/previous/1995/011595.html](http://www.aft.org/stand/previous/1995/011595.html).
- Sharma, S. (1995). Management of informational organization. Retrieved July 18, 2004  
from  
<http://choo.fis.utoronto.ca/FIS/Courses/LIS1230/LIS1230sharma/motive5.htm>.
- Solmon & Podgursky. (2000). The pros and cons of performance-based compensation.  
Eugene, OR: ERIC Clearinghouse on Educational Management. (ERIC  
document Reproduction Service NO. ED 445393)
- Southworth, S. (n.d.) Wanted: Two million teachers. Retrieved February 28, 2006  
from [www.teacher.scholastic.com](http://www.teacher.scholastic.com)
- Spring 2006 Legislative Update Workshop. (2006). Retrieved April 12, 2006 from  
[www.mde.k12.ms.us](http://www.mde.k12.ms.us).
- Stand by me: What teachers really think about unions, merit pay and other professional  
matters. (2003). *Public Agenda*. Retrieved January 28, 2005 from  
[www.publicagenda.org](http://www.publicagenda.org).
- Students' public education must even the odds. (n.d.). Retrieved February 28, 2006



from [www.rnt.org](http://www.rnt.org).

Summers, A., & Crawford, D. (n.d.). Observations on existing performance-based compensation systems for teachers. Retrieved February 18, 2006 from <http://plsc.uark.edu/ritter/edfd5683summers.html>.

Teaching as a profession. (2003, February 21). Retrieved June 30, 2004 from <http://www.edweek.org/contetxt/topics/issuespage.cfm?id=25>.

Teaching at risk: A call to action. (2004). *The Teaching Commission*. Retrieved April 10, 2005 from [www.theteachingcommission.org](http://www.theteachingcommission.org).

Timeline of public education in America. (n.d.). Retrieved February 20, 2006 from [www.goodschoolspa.org](http://www.goodschoolspa.org).

Tomaka L. (2000). Teacher shortages and low pay spur action, debate over teacher Recruitment and retention. *Firstline Midwest* 7(3), 1-3.

Troen, V., & Boles, K. (2005). How 'merit pay' squelches teaching. Retrieved January 28, 2006 from [www.boston.com/news/education](http://www.boston.com/news/education).

Urban Institute Study of Merit Pay Systems. (2005). *Pittsburg Society of Association Executives*. Retrieved April 10, 2005 from [www.psea.org/article.cfm?SID=165](http://www.psea.org/article.cfm?SID=165).

Vroom, V. (1964). *Work and motivation*. Washington, D.C.: Wiley, Johns and Sons Inc.

Wages. (2006). Wages: merit pay. Retrieved February 12, 2006 from [www.dol.gov](http://www.dol.gov).

Wilms, W., & Chapleau, R. (1999). The illusion of paying teachers for student performance. (1999, November 3). Retrieved March 28, 2005 from [www.edweek.org/ew/ewstory.cfm?slup=10wilsm.h19](http://www.edweek.org/ew/ewstory.cfm?slup=10wilsm.h19).

Wilson, H. & Van Keuren J. (2001). Current use of state and local salary schedules to achieve statewide educational goals. Eugene, OR: ERIC Clearinghouse on

Educational Management. (ERIC document Reproduction Service NO.  
ED479803)

Younger, M. (2004). Teacher evaluation: A puzzling process.

Retrieved January 28, 2006 from [www.independentteacher.org/vol2/2.1-4.html](http://www.independentteacher.org/vol2/2.1-4.html).